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# West Europe Report

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## NATO NORTHERN AREA COMMANDER FARRAR-HOCKLEY DISCUSSES ISSUES

Oslo ARBEIDERBLADET in Norwegian 10 Jan 81 pp 20, 21

[Article by Pål Nordenborg]

[Text] Ever since the establishment of the NATO north command at Kolsås, the chief there has been British. The British general at the top of the Kolsås in Bærum is in command of an area, stretching from Hamburg to Grense Jakobs Elv. General Sir Anthony Farrar-Hockley was ordered to serve as commanding general for the Allied forces in Northern Europe nearly 18 months ago.

In this interview, he says that it is the Soviet build-up of forces in the course of the last decade to which NATO is now responding. It is an insult on the part of the Russians to claim that the NATO defense constitutes a threat of attack against them.

The NATO member countries must meet the increasing costs of military equipment through increased rationalization and an expanded production cooperation, he says. He warns the Western European countries not to believe that the United States has unlimited resources.

He points out that Norway is a good member of the alliance, and he says that there is reason to believe that Denmark as well will increase its defense budget toward the 3 percent growth in real terms which the member countries have set as their target figure.

Unilateral disarmament in Europe on the part of the West is madness, he says. He believes that the nuclear deterrent works.

Sir Anthony Farrar-Hockley became chief of the Allied forces in Northern Europe in July of 1979. At the time, he had an extensive career behind him, right from the time when, at the age of 16, he joined the armed forces on Great Britain's entry into World War II. At the age of 19, he became an officer and participated as a parachutist in various sections of the front around the Mediterranean.

He was in Palestine, and he participated in the British UN forces in Korea. Here, he was a North Korean and Chinese prisoner-of-war for 2 1/2 years. He also participated in the landing in Port Said in 1956 and in anti-guerrilla operations on Cyprus, in the British Jordanian expedition in 1958, and he was in charge of parachutist divisions in anti-guerrilla operations in the former British protectorate of Aden, now South Yemen, in 1962-63.

Later on, he was one of the leaders of the operations of the British Army in Borneo until 1966. As a general, he became the first chief of the British land forces in Northern Ireland when the acts of terrorism there were at their peak. He has been a division chief in West Germany, a district commanding chief in Great Britain, and has been in charge of the information service of the British defense command. He was knighted in 1977.

Farrar-Hockley has, moreover, written several books, among them a book on his experiences in Korea and a book on the desert war in North Africa during World War II. He is now in the process of writing about the British participation in Korea at the request of the British government.

Question: Is the situation today more dangerous, seen from a military point of view, than it was in the seventies?

Answer: First of all, we have got to realize the fact that there is a steady build-up of Soviet forces and that it is of a strikingly offensive nature. What General Rogers is now spending his time on doing is looking into the question how NATO can meet this threat.

It is an insult on the part of the Russians to claim that these measures constitute a threat of attack against them. Considering their efficient intelligence service, they know better than that. The Norwegian airfields cannot be used for a massive attack on the Soviet Union. One could never in one's wildest dreams imagine that the storage of ammunition and heavy vehicles would constitute a threat of attack. It is sheer madness to claim that Norwegian territory is the platform for an attack on the Soviet Union. NATO is by nature a defense alliance.

The danger is the growth which, during the last decade, has taken place in the military development on the Soviet side. It is this threat that makes the situation more dangerous today.

Secondly, we have now seen that the Soviet Union has gone beyond its own borders.

People will readily say that Afghanistan is so far away, what does it concern us? But that was exactly what Chamberlain said when Hitler attacked Czechoslovakia. We now experience that it is the Soviet Union which is doing what it pleases. In that way, the situation has also become more dangerous.

As far as Poland is concerned, the presence of physical power there constitutes a threat. As distinguished from Afghanistan, this, however, is something which is taking place within the Warsaw Pact area. I find it difficult to believe that the Soviet Union has concrete plans to attack the West. The danger, however, is the pressure represented by the threat to use power under given circumstances. I do not want to say this any stronger.

## Rationalization

Question: The member countries, apart from the United States, have difficulties reaching the target of a 3 percent growth in real terms in military expenditure. At the same time, the costs of military equipment are increasing faster than the rate of inflation. How can the problem of the widening gap between the costs and the ability to pay be solved?

Answer: It is true that the costs of weapons and equipment have increased enormously during the last few years. How to get the money is the major problem. For we have got to face the fact that one cannot compromise in this field as long as the Russians continue the build-up of their forces. And they need not ask a national assembly for funds as we have got to do in our countries.

There is only one answer to the question: Cooperation and rationalization. Already at this point, we have got to start looking at the new generations of weapons and equipment with the aim in view of getting them at as low a cost as is possible. For example, the F16 aircraft which Norway is purchasing would have been less costly if more countries had chosen this type of aircraft.

Question: Is it your impression that the new administration in Washington will increase its pressure on the Europeans to get us to take on a larger share of the defense costs of the alliance?

Answer: In Western Europe, we must realize the fact that the United States has not got unlimited resources. The problem must be solved by the countries in Europe entering into a closer cooperation. But the different producer countries must then learn to adjust. In some of the projects of cooperation, a few countries have been rather stubborn.

Remember the saying which we have also got in English: The best may become the enemy of the good.

Here, the governments of the member countries should do what they are doing in Rome when electing a pope, lock themselves up in a room. When the white smoke rose from the chimney, the industries and military experts would simply have to comply with the political decisions which had been made. We would then get a starting point for a rationalization cooperation with a view to the nineties when all the countries would be participating.

It is wrong just to talk about the resources of the United States. Other countries, too, are very competent. The Kongsberg arms factory, for example, makes equipment which is of top quality. Incidentally, Norway is playing its part as a member of the alliance very well.

## Real Growth of 3 Percent not Enough

Question: Denmark has also had an extensive debate on its defense program?

Answer: Yes, but I now assume that also Denmark will reach a better result, as far as its budget is concerned, than one would have thought. I am quite optimistic with regard to Denmark's possibilities of attaining a growth rate in the neighborhood of 3 percent. Another thing is that a growth rate of 3 percent annually is not sufficient, in the long run, for any of the countries.

To me it is remarkable how much has been attained within the NATO cooperation since 1950. In my opinion, the cooperation has been developing extremely well. Today the entire West Germany navy is under Allied command. This also applies, in practice, to most of the British navy as well as a large part of the U.S. air and naval forces. This would have been inconceivable a few years ago.

## Deterrent

Question: Why threaten with nuclear weapons when nobody is certain of being able to win a nuclear war?

Answer: I believe in the deterrent effect. Hitler would hardly have had any moral scruples about using poisonous gas if he had not known that we possessed such means. That stopped him from using it.

I also believe that the United States would not have dropped the bomb on Hiroshima if Japan had had nuclear weapons.

I will support a nuclear disarmament in which all nations are participating. A unilateral nuclear disarmament as advocated by some people in Great Britain, Denmark and other countries, however, is madness.

But both Norway and Denmark are, of course, within their rights as sovereign states to decide their nuclear weapons policy. And I can live with the line which Norway has taken here. Norway decides itself as a member of the alliance the relations it wants to have with other countries. The fact that Norway by some countries is regarded as a threat is pure invention, or as the Americans call it: a red herring.

As for the adoption of the plan to produce and deploy the new weapons, the cruise missiles and the Pershing missiles, in Europe, this has been regarded as an expansion of the NATO forces and as an action of an offensive nature. I regard this as a victory for the propaganda war waged by the Russians.

To NATO, it was a question of replacing older equipment with new equipment. It is not a question of additional weapons. Without a countermeasure to the deployment by the Russians of their SS20 missiles, they would not have been willing to make any concessions to us. But, nevertheless, we are the ones who are being called warmongers.

## The Queen's Toast

Question: A British officer toasts the queen. A Norwegian the king. There are those who do not like the idea that the Allied forces under the north command do not have a Norwegian chief. What is your reaction to this?

Answer: That this is a question which it is not for me to decide. It is a decision which is made by the member countries. But I here regard myself as an Allied officer, not as a British officer. I do not take any orders from London in this job.

As an example of this, I can mention that when, some time ago, in my capacity of chief of the north command, I was to deliver a lecture in Great Britain, I was requested, according to the rules of the British defense command, to present my lecture ahead of time for review. This I refused flatly to do.

Incidentally, I believe that the British, by instinct, feel somewhat attached to Norway. This is not least due to language and cultural history bonds from the old times. But it is also due to the miserable fiasco of the British in Norway in 1940.

#### The Russian Soldier

Question: Is the Russian soldier 3 meters tall?

Answer: By no means. And what perhaps more than anything else constitutes the difference are the freedom of action and the independence in the decision making of the subordinate staff.

It goes without saying that we, too, need discipline. This is necessary, especially in view of the need for such a big organization as ours to work. But, in our times, we make entirely different demands in respect of discipline than the robot-like disciple with harsh punishment which we had more than 100 years ago. We put increasingly greater emphasis on self-discipline.

Our troops are free to assemble in groups. They need no permission from a political officer to gather in stamp clubs. It is my impression that the Russian soldier in the field is more subject to bureaucracy and inflexible actions than we are. Think for yourselves, we say. And that is our strength.

I, for my part, have always attached great importance to friendliness and openness. And I speak from experience. I have been no desk officer. That is why human contact is important to me also now. A staff has to sit in a hole in the earth. But a chief cannot do that.

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## IFRI INTERNATIONAL CONFERENCE ON TECHNOLOGY, DISARMAMENT

Paris LE MONDE in French 18-19 Jan 81 p 14

[Article by Michel Tatu: "1972 Antimissile Defense Treaty Seems Threatened by Technological Progress"]

[Text] The conference on science and disarmament organized by the French Institute of International Relations [IFRI] ended Saturday, 17 January, with a discussion on the contribution modern technology can make to the development of agreements on arms limitation. Those in attendance were said to have heard opinions expressed particularly by Messrs Kastler, winner of the Nobel prize in physics, Goldschmidt, former head of the foreign relations department of the AEC [Atomic Energy Commission] and current chairman of the governors of the Atomic Agency of Vienna, Scoville, former deputy director of the CIA, and Curien, chairman of the National Center for Space Studies. Friday had been devoted to the role of technology in the arms race and had given rise to some verbal jousts between the Soviets and the Americans.

As a matter of fact, the dialogue of the two superpowers remained somewhat beneath what might have been expected on the eve of Mr Reagan's entry into the White House. The speakers, scientists for the most part, agreed to divest the scholars of the role assigned to them in the arms race and return the ball to the politicians.

Secondly, almost all the Americans could be categorized as "doves": all criticized the theory of "limited nuclear war" on which Mr Carter had partially based his directive No 59 of last summer on the doctrine pertaining to the use of strategic arms; no one came to the defense of that directive and, even less, to Mr Reagan's options.

Here too, the Americans were supported by the Soviets, even though many doctrinal texts of the leaders of the Red Army indicate a desire to be able to "conduct and win" a nuclear war, if one should occur. General Milstein, responsible for strategic matters at the Soviet Institute for Studying the United States, asserted that an atomic war would have neither winners nor losers. It is true that he differentiated between "doctrine" and "capabilities," the latter having to be calculated for possible use; moreover, the

word "dissuasion" was mentioned much less in the conversation of the Soviets than in the mouths of their Western colleagues.

The new precision of strategic vectors, which makes it possible to drop charges at less than 100 meters from their objectives compared with 2 to 3 km 15 years ago, is still of great common concern, but everyone does not draw the same conclusions from that development. General Gallois sees in this phenomenon the advent of a future "clean" war, exclusively antforce, but he received only an evasive answer when he asked if the entire Western European defense system should not be reexamined in this context. As for the Soviets, they believe that this new technological progress makes the ratification of the SALT II treaty more than ever necessary, or at least a resumption of negotiations between the two great powers (all their comments--both private and public--confirm a "realistic inclination" to follow the new American lead).

#### An End in Itself?

As for the Americans, although they have confirmed their interest in arms control, they have had to admit that cracks are appearing in the system of agreements inherited from the past. The link most threatened is the 1972 treaty limiting antimissile defenses (ABM). In fact, since the big factor of destabilization is the vulnerability of land-based forces, it is tempting to protect those forces through a defense system which would be added to the mobility foreseen for future missiles: the MX could be flanked by an anti-missile launcher moving with it in its trip across the 23 silos provided, which would force an attacker to double the number of charges necessary for its destruction. However, according to MIT Professor Ruina, the attack will always have the advantage at a lesser cost and, more important, such a device is contrary to the 1972 treaty which forbids mobile ABM's.

Must we therefore consider every limitation agreement an end in itself? Mr Jacques Chevallier, director of AEC's military applications, stirred up certain ideas on this subject, recalling that the restrictions imposed on Germany by the Versailles Treaty with regard to "large battalions" had encouraged that country to concentrate on armored divisions and attack planes, thus forging the instrument of its victories in the subsequent war. In like manner, according to him, "the SALT negotiations are a powerful incitement to the arms race, whether it be to strive for the best possible position in the negotiation phase, influence the nature of the agreements so as to have an advantage once the agreements become effective or assure a favorable position in anticipation of the next phase."

American Professor Panofsky has also gone on record in stating that SALT I has prolonged the existence of weapons without great interest, such as the American Titan missiles. In short, although everyone agrees that 50,000 nuclear charges--the world's current arsenal--is too much, it is very difficult to get rid of them.



## STRATEGY, ORGANIZATION, MISSIONS OF EC DEFENSE FORCES

Paris LE DEUXIEME PILIER in French 1980 pp 85-142

[Parts 3 and 4 from book "Le Deuxieme Pilier" (The Second Pillar) by Jean-Paul Pigasse, subtitle: Thoughts and Ideas on European Security, published by STRATEGIQUE, Hotel National des Invalides, 75007 Paris]

[Excerpts] Part 3

## Chapter 1. Protection of European Territory

The objective of the European defense system must not be to give the European Community (EC) the wherewithal to pursue an aggressive policy toward the rest of the world, but solely to protect the Community against threats liable to affect its interests. Hence the primary mission of Europe's armed forces is to maintain the continent's current situation and preserve the political status quo, particularly with reference to Eastern Europe and the USSR.

To accomplish this mission, the Community has a complete array of military forces and equipment: strategic and tactical nuclear weapons, conventional weapons, and intervention forces. Because of its constraining strategic characteristics, described in the preceding chapters, the Community must pursue a strategy of interdiction aimed at preventing a possible aggression from successfully conducting offensive operations. The Community's defense must be so designed, however, that if deterrence fails--always a possibility--the Community's political authorities will have the capability of preventing total occupation of European territory.

In Part 4 of this study we shall see what should be done, if necessary, to adapt European forces to their missions, and then what could be done to make practical applications ultimately conform to the approved doctrine. Before that, however, we must determine the principal basic elements of the defense concept that could govern the Community's action.

## General Terms of European Defense System

Protection of the national sanctuary is an absolute requirement for all nations, small or large, weak or powerful. But such protection must comply with specific rules that stem essentially from each country's geographical, economic, and political situation. The more powerful the country concerned and the more complete its

protective arsenal, the more pronounced is this specificity of its defense system. This accounts for the considerable differences noted in the defense doctrine of the two leading powers, the United States and the USSR, and in their concept for possible employment of nuclear and conventional weapons in defense of their national territory.

Defense of the American sanctuary is based on the fact that the U.S.A.'s principal adversary is not situated immediately near its borders. Separated from Europe and Asia by two oceans and from South America by an isthmus, the United States is shielded from a surprise attack launched by conventional land, air, or naval forces. From the strategic standpoint, this means that the American sanctuary must be defended essentially by nuclear forces and that U.S. doctrine must be centered on strategic nuclear deterrence. The principle of external action, in other words the concept of being able to take action far from the national territory in defense of vital interests, appears to be waning, notably since the withdrawal of American troops from Vietnam. While this principle has not completely disappeared--it reappeared during the abortive attempt to rescue the hostages in Tehran and again during discussions on creation of a rapid deployment force in the Persian Gulf--it nevertheless does seem to be giving way to the alliance concept, i.e. the principle of political, diplomatic, and, if necessary, military support of countries considered to be of some importance to the United States. According to this principle, allies are furnished protection mainly with conventional weapons, or even with theater nuclear weapons. There is no indication that such protection would be provided by extending strategic deterrence beyond the territorial limits of the United States. Only the national "sanctuary" is covered by strategic nuclear weapons.

Defense of the Soviet sanctuary is based on the "omnidirectional" concept. This defense is designed to cope with an attack launched from the United States as well as Europe or the People's Republic of China. As a matter of fact, and contrary to what an inordinately hasty analysis of the country's geographical position might lead one to believe, the USSR has no adversary in the immediate proximity of its borders. It is separated from the United States by the Pacific Ocean, from the People's Republic of China by the Mongol deserts that preclude a surprise attack launched by conventional forces (except perhaps in Eastern Siberia), and from Western Europe by the fortified buffer of the East European countries. The USSR's strategic nuclear weapons have the mission of securing the inviolability of a territory against which it would be relatively difficult for combined air and land forces or combined air and naval forces to conduct effective operations. On the other hand, the USSR does have conventional and tactical nuclear forces enabling it to base its external action on powerful resources and conduct long-range airborne and amphibious operations. Moreover, the country is extending its system of alliances far beyond its European glacis and is striving to acquire strong outlying bases or support facilities in Cuba, Vietnam, Angola, South Yemen, etc. Nor does it hesitate to intervene militarily to keep a neighboring country within its sphere of influence. Afghanistan is the most recent example of such Soviet intervention.

Protection of the European sanctuary is obviously totally different from the American model as well as the Soviet model. Unlike the two superpowers, Europe is actually vulnerable to both a conventional type surprise attack and nuclear blackmail in the likely form of threats against its cities or its armed forces. Europeans might probably consider waging a defensive and then offensive battle, but the Community does

not have, as we have seen, sufficient geographical depth enabling it to absorb an attack and satisfactorily respond to it. Furthermore, this situation is exacerbated by the fact that the Community is in direct contact with one of its potential adversaries. As a consequence, the protection of European territory is pre-conditioned on possession of a system of deterrence sufficiently effective to constitute a credible threat in the eyes of the potential aggressor. This system of deterrence necessarily depends ultimately on strategic nuclear weapons inasmuch as the latter alone are capable of striking vital enemy centers and, therefore, forcing the enemy to retreat. Yet from among the different possible strategies, we must choose the one that is most suitable for Europe.

### Major Nuclear Strategies

Some 30 years after their introduction into the world arsenal, nuclear weapons have become an essential element in the strategy of the great powers. Initially designed as area weapons of mass destruction for use mainly against large densely populated areas, they have gradually acquired characteristics of power and accuracy that have obviously made them capable of being employed as a point weapon against enemy forces.

Hence before going any further, we should first rapidly review the real implications of each one of the possible concepts of nuclear weapons employment. These concepts can be grouped into two doctrinal categories.

#### 1. Target-Related Doctrines

On the basis of their foreseeable effects, nuclear weapons can be either globally or selectively targeted against enemy forces or economic resources.

a. The counterforce strategy<sup>(1)</sup> is the result of 30 years of technological developments that have made it possible to deploy increasingly accurate weapon systems. This strategy is clearly part of the military policy of the United States and the USSR. And the development of space weapons plus future advances in the penetration capability of delivery systems will predictably even further accentuate this trend. The counterforce strategy is quite obviously a strategy tailored to the excessive weaponry possessed by the United States and the USSR, to their acquired mastery of nuclear technology, and to their geopolitical situation. From this geopolitical standpoint, it is evident that the fact of having extensive geographical space plus natural barriers difficult to cross has greatly prompted the superpowers to choose a strategy that would produce the least possible damage to their respective territories. In this context, it also appears that tactical nuclear weapons are now tending to become "standardized," in other words to no longer play a deterrent role but instead be considered battlefield weapons like any others, as it were.<sup>(2)</sup>

b. The anticities strategy is akin to the desperate reflex of a community whose very existence is threatened. It is based on the principle that any enemy action above a predetermined threshold triggers the threat to use nuclear weapons and then, if necessary, the actual use of such weapons, no longer this time solely against military targets but against the enemy's large population centers and economic complexes. After having advocated this strategy for many long years,

the United States and the USSR now denounce it as suicidal and apocalyptic. It is really the only strategy that enables medium-size powers without either geographical space or the economic, technological, and scientific resources required to arm themselves with a complete panoply of nuclear weapons, to protect themselves against any take-over attempts by their enemies. That is why this strategy is the official doctrine of countries like France and the People's Republic of China. Under this doctrine, tactical nuclear weapons are used to probe the potential enemy's real intentions. Their purpose is to avoid immediate escalation to all-out nuclear conflict by providing a sort of wait-and-see stage that precludes yielding to an irrational or immoderate impulse.

## 2. Doctrines Related to the Method of Retaliation

In its perception of these problems, the general public tends to confound the counterforce strategy and flexible response, the anticities strategy and massive retaliation. It is important, therefore, to make a clear distinction between these doctrines.

a. The doctrine of flexible response is based on the principle of adapting the response, conventional or nuclear, to the characteristics of the enemy threat. Hence it is based on a more or less complete and graduated range of responses enabling the attacked power to so tailor its response as to avoid escalating to all-out nuclear war.<sup>(3)</sup> This doctrine is not necessarily incompatible with the anticities strategy in which it may very well culminate at a given predetermined time. The flexible response strategy is currently the doctrine of the secondary nuclear powers insofar as the latter are concerned about avoiding any misinterpretation of the enemy's actions. The nuclear strategy may "escalate" more or less rapidly and may be implemented through a more or less complicated process, but this in no way alters the fact that there is a flexible response whenever the enemy's one-upmanship is countered in a graduated and balanced manner.

### b. Doctrine of Massive Retaliation

This doctrine consists of a reflex act, involving the immediate employment of strategic nuclear weapons with no preceding intermediate level of employment. In theory it can be combined with a counterforce strategy as well as an anticities strategy. In actual practice, however, it almost necessarily implies choosing the anticities strategy because the doctrine has credibility only to the extent that its purpose is to inflict the greatest possible damage from the very moment the warning shot is fired and thus deter the possible enemy from perpetrating his aggression.

Europe possesses nuclear weapons and, therefore, must choose between these four types of strategy. And its choice must be such that those countries which might be tempted to attack it are made to fear a nuclear retaliatory strike. The overall defense concept adopted by Europe is by this very fact a basic element of its security system. It must be adapted to the forms of aggression to which the Community might be subjected and to the forms of retaliation it could resort to in self-defense.



## Forms of Aggression

In view of its geographical position and economic vulnerability, Europe may be the target of highly different forms of aggression. It must tailor its eventual response to the nature of the foreseeable threat. Following are the forms which that threat may take:

### 1. Nuclear Threat

This threat may be directed against either the Community's armed forces or its population and economic centers.

a. Because of the concentration of Europe's population and industrial centers, and their location in the northern part of the territory, the magnitude of the anti-cities threat has no equal in the other powers. Hence it is relatively easy, even with limited resources, to subject the Community to nuclear blackmail. To do this, an adversary need only directly threaten the largest cities and ports. The immediate proximity of the potential enemy's nuclear forces makes Europe's position even more critical in that it has practically no warning time in which to protect itself in case of aggression.

c. For similar reasons, the counterforce threat is just as dangerous. It can, in fact, be exerted to the maximum because the Community's main defense centers are located close to the European borders in implementation of NATO's forward strategy. The same is obviously not true of the nuclear forces. They are based relatively far from the central European theater. But the progress made in missile guidance and accuracy tend to make protection of the Haute Provence silos or the Vulcan and Mirage 4 bombers bases questionable. Only the missile-launching nuclear submarines can escape a nuclear first strike and remain operational. It must be emphasized, however, that to have a chance of retaliating effectively, a sufficient number of these submarines have to be at sea on patrol.

### 2. Conventional Threat

This threat may also assume various forms that are more or less adapted to the nature of the European territory. By simplifying the problem to an extreme degree, we can narrow down to three principal types those aggressions for which an adequate response must be found.

#### a. Threat According to Type of Action

Depending on whether it has a general or limited objective, offensive action against Europe may involve a wide-ranging attack or the seizure of a more or less large piece of territory as a "bargaining chip," i.e. something to be held for ransom.

(1) The wide-ranging or general attack is the one with which European forces have been preparing to cope since the early 1950's. Such aggression implies large-scale offensive operations conducted basically by enemy armored forces with heavy air support. Its objective is to conquer and vassalize the European territory.

It demands large military resources and cannot be accomplished without a certain overall force ratio of at least 7 to 1 in favor of the aggressor. To be effective, this operation must be completed in a very short period of time and have the benefit of maximum surprise. This general offensive appears to be the preferred scenario of the Soviet strategists.

2. The seizure of a "bargaining chip" is meant to deprive the Community of a more or less extensive portion of its territory. Its purpose is to compel community leaders, through swift and powerful but limited offensive action, to agree to negotiate with the enemy. The seized territory need not be in the region where the main enemy thrust might be made, i.e. central Europe. This threat makes maximum use of psychological leverage in that it exploits the panic inevitably produced by military action in a very densely populated area.

#### b. Threat According to the Theater of Operations.

The Community extends from north to south over more than 3,000 kilometers. Consequently the aggression can occur in three principal areas namely in central Europe the northern flank, and the southern flank.

##### (1). Central Europe

This attack is directed mainly against the territory of the Federal Republic of Germany, the traditional axis of history's major offensives. Its objective is to cripple the industrial centers of Northern Europe and cut the Community in two. It is directed, therefore, against Europe's vitals. To be successful, this operation requires powerful air and land forces. It can succeed only if conducted in the form of a massive armored offensive on a line extending from the North Sea to the Austrian border.

##### (2.). Northern Flank

The main thrust of this attack is in the Baltic and North Sea areas. Its objective is to deprive Europe of an essential part of its territory. The attack thus involves Denmark, the Netherlands, and Northern Germany. To be successful, it must be conducted with large naval and naval air forces. The operation can also be conducted basically with amphibious units. This threat is especially dangerous for Europe in that it can cut the continent off from its North Sea oilfields which are naturally an important "bargaining chip."

##### (3). Southern Flank

This attack takes place in the Mediterranean and Adriatic.<sup>(4)</sup> Its objective is to gain a foothold in Italy or deprive the Community of one of its major south European allies, namely Greece,<sup>(5)</sup> Turkey, or both at once. It is dangerous inasmuch as no thorough care and attention have ever been given to the defense system of this highly exposed region. This operation requires large naval and naval air forces if launched from the Mediterranean. It can also use air-supported land forces if launched from the Balkans.

Of course, the threat against any one of these three theaters of operation may be combined with general or limited operations against the other two. It may be

aimed at paralyzing Europe at three different points that are especially vulnerable because of their geographical position.

#### c. Threat According to the Types of Weapons or Action

Lastly, Europe can be attacked with or without use of tactical nuclear weapons. In either case, such attack assumes special forms.

(1) With tactical nuclear weapons, the threat immediately takes on a certain broader dimension even if these weapons are used exclusively on the battlefield. This threat conforms to the adversary's military doctrine which expressly calls for the employment of tactical nuclear weapons in offensive ground operations. Such an attack can be conducted with weapons currently available to Soviet field forces. But the decision to use these weapons is a political action of considerable magnitude.

(2) Without tactical nuclear weapons, the threat may assume a great variety of forms. It can be "horizontal" and occur in the form of a conventional ground offensive launched basically with tanks and mechanized units. It can be "vertical" and occur in the form of more or less large-scale air and airborne operations. It can also be naval and consequently be directed solely at the Community's naval forces or its supply lines. Lastly, the threat may be subversive and aimed at crippling Europe from within. Admittedly, and this is the most probable case, it may utilize these various forms and occur as a mixture of horizontal, vertical, naval, and subversive action, with the entire combination capable of being either general or limited, concentrated against one theater of operations or extended throughout the whole European territory.

#### Forms of Reaction

To handle the different forms of aggression to which it might be subjected, the Community has armed forces representing the entire spectrum of modern weapons, even though some of these weapons are limited in quantity: strategic nuclear weapons, tactical nuclear weapons, conventional air-, ground-, and sea-launched weapons. In theory, the Community has the capability of meeting the threat in different ways. To determine which concepts will have to govern its defense policy in the future, it is, therefore, important to examine to what extent the forms of reaction it may consider are compatible with its available military resources.

##### 1. Conventional Response

This is based on massive employment of armored and mechanized formations, air units, and transport elements in the region of Central Europe, and naval and naval air forces on the northern and southern flanks. As things now stand, and considering Europe's geographical position, the concentration of its vital centers close to the borders, and the imbalance of forces on the continent, this response implies acceptance of a battle in depth. Failing to take the initiative and carry the war preventively beyond its borders, Community conventional weapons can resist the enemy only by trading space for time. It is evident that such a strategy can only result in the devastation of a large part of European territory. No doubt such a strategy is not impossible and consideration could be given to resisting

the enemy in great depth, but the Community could only emerge from such a conflict bloodied and thus unable to play a role in world affairs for a long time to come. Under these conditions, a conventional response does not seem to be a feasible means of defense for Europe. While conventional forces undoubtedly do have a major role to play in defending the European sanctuary by maintaining surveillance of its borders and coastlines, protecting key population and industrial centers against subversive activities, defending lines of communication and strategic nuclear bases, and providing the initial response to an attack, these forces cannot secure Europe's territorial inviolability under the present tactical concepts derived from the Blitzkrieg. The forward battle strategy cannot possibly be followed under present conditions.

## 2. Conventional Response With Use of Tactical Nuclear Weapons

This response is based on a combination of conventional forces and units armed with ANT: Pluton [missile] regiments, air force squadrons, or naval air squadrons. Tactical nuclear weapons do, in fact, give Community forces considerable additional firepower, especially if enhanced radiation weapons are deployed in the European theater in the future. Yet the same objectives mentioned above can be raised against this form of response: European tactical nuclear weapons, excluding the American weapons, are numerically insufficient to alter the imbalance of forces because the Soviet armed forces also have a considerable number of these weapons. To accept battle under these conditions would have even more destructive consequences for Europe than mentioned above, in that the armed confrontation would necessarily take place in densely populated regions where the ANT would inevitably cause considerable damage. Employing the ANT as a sort of "superartillery" is technically possible, but such use does not reduce the depth of the battlefield. While it may improve the force ratio and hence the chances of victory, at the same time it can only increase the volume of destruction and leave us with a Pyrrhic victory.

## 3. Flexible Response

This is based on adapting the response to the various forms of the threat. It is implemented by going through a series of graduated stages in the use of both conventional as well as nuclear weapons. It has governed NATO military strategy in Europe ever since its adoption by the United States. If we look at Europe's geostrategic situation, this is quite obviously the most dangerous form of response for the Community. In fact, it is tantamount to allowing the enemy complete freedom to choose its form of aggression, and it enables them to seize all of the territorial "bargaining chips" it deems suitable. The flexible response strategy is thoroughly suited to the defense of a country that is not in direct contact with its main adversary, as is the case of the United States. It would be suicidal, however, for a nation that has no strategic depth and whose borders are directly threatened by the adversary. Even though the flexible response is distinct from the forward strategy, it is no more advantageous to Europe than the latter, and given the Community's position, it naturally tends to be confused with the latter.

## 4. Nuclear Response With Probing of Enemy Intentions

Contrary to the flexible response, this response is based on the principle that direct or indirect aggression, limited or general, against European territory will



trigger a massive anticities nuclear response or counterforce response, but that this response will be preceded by limited operations designed to probe or test the enemy's probable intentions. Hence this strategy implies highly rapid reaction to any aggressive action taken against the Community, reaction in the form of a localized counterblow meant to show the enemy that Europe is prepared to use the strategic nuclear weapons in its possession. This probing action can be taken in any one of the three main theaters of operation described earlier. It can be conducted with conventional weapons as well as tactical nuclear weapons. At all events, it has to be limited in time and space lest it incur the disadvantages described above. The nuclear response combined with probing of the enemy's intention can, under these conditions, be a vital element of European nuclear deterrence. But this form of response does require exceptional skill in crises management and, therefore, absolute decisionmaking autonomy at the political level.

#### 5. Nuclear Response Without Probing Enemy Intentions

This involves immediate and massive use of strategic nuclear weapons and is akin to a pure and simple reflex. Any act of aggression against the Community, irrespective of its nature, scope, location, and magnitude, is supposed to trigger immediate escalation to all-out use of nuclear weapons. No matter how attractive this strategy may seem at first glance, it still lacks credibility in that it prohibits the threatened nation from assessing the exact nature of the aggression. It is too pre-emptory because it immediately results in an all-out nuclear exchange and can but culminate in total devastation of the national territory. Much more serious is the fact that it precludes passing from military action to diplomatic negotiations, the natural outcome of any conflict between nations.

Such, therefore, are the five major forms of reaction conceivable for Europe in response to external aggression, reaction based on the different types of weapons currently in the arsenal of the major powers. Among these different responses we now have to choose the one best suited to the Community's present and future situation, to its resources, and to the vital interests it has to protect.

#### European Strategic Concept

The choice of a strategy for Europe is actually dictated by Europe's overall situation. It should be reiterated here that the Community's geographical position is such as to put it in a acutely vulnerable situation. With its back to the sea and bereft of any natural defense, its political, financial, industrial, technical, scientific, and urban centers lies within immediate striking distance of the main adversary's short- and medium-range missiles. Intercontinental missiles are not needed to subjugate Europe. Its estimated 350 strategic targets--cities, ports, densely concentrated industrial areas, airports, and communications centers are within range of relatively unsophisticated ground-or sea-launched missiles.<sup>(6)</sup>

#### 1. Strategy of Deterrence

In the present state of its defense posture, Europe can count only on its strategic weapons for any effective protection. The conventional response, with or without tactical weapons, cannot be reasonably considered, as explained earlier, because Community vital centers are exposed to direct enemy fire thereby making them

vulnerable to nuclear blackmail by the enemy. Geography makes any defense concept illusive unless that concept is based primarily on nuclear weapons. In fact, such weapons give the Community a powerful interdiction and threat capability which the best designed conventional weapons could not provide, at least under current tactical concepts. In the final analysis, European deterrence is assured by the Community strategic nuclear forces.

Owing to its geographical position and natural vulnerabilities, Europe's nuclear doctrine has to be based on an anticities strategy coupled with operations designed to probe the enemy's real intentions and mark Community determination to retaliate. These probing operations can take a wide variety of forms and be conducted with conventional or combined--ANT plus exploitation units--forces. It will be noted that such a concept for the defense of Europe permits a different assessment to be made of the imbalance of East-West forces, particularly the imbalance of strategic forces and the threat posed by Soviet SS-20 missiles.

#### a. Anticities Strategy

This strategy is dictated by nature and by the fact that it is impossible for Europe--because of its lag in such matters--to arm itself with as huge and diversified a nuclear arsenal as those the United States and the USSR already have. Any hostile act aimed at depriving the Community of all or part of its territory thus exposes the enemy to the threat of European strategic nuclear weapons. This threat's all-out character is a fundamental condition of the credibility of the European deterrent. It constitutes an irreplaceable vital guarantee for those regions in direct contact with the potential threat, regions like the eastern part of the Federal Republic of Germany. Targets assigned to the Community's strategic nuclear weapons are chosen with a view to inflicting the greatest possible damage on the potential enemy. Europe cannot, in fact, confine itself to a counterforce strategy for which it does not have the resources at this time and for which it will be difficult to arm and equip itself in the near future. Europe has no possible course of action other than to base its system of deterrence firmly on the threat of inflicting major destruction on the enemy.

#### b. Probes

Their purpose is to verify, by localized and limited actions, the enemy's aggressive intentions and demonstrate Community determination to respond immediately and brutally to any attempted aggression. In fact, it could happen that instead of launching a large-scale surprise offensive, the aggressor might seek to probe the real strength of the European disposition of forces and test Community resolve to defend itself, by launching one or more limited attacks on Europe's frontiers or in the maritime areas bordering Europe. If this happens, the Community must itself be able to determine the real nature of the threat against it and indicate its will to meet that threat with all the means at its disposal. These probing operations can be conducted equally by the Community's ground-launched, or air-launched, or sea-launched tactical nuclear weapons. It is also conceivable that this probing could be done passively by means of a nuclear barrier which the potential enemy would have to cross in launching his attack and which he would thereby activate. (7) In any case, it has to be clear to everyone, friend and foe alike, that the European response to a limited

attack would inevitably be followed by massive retaliation should the enemy fail to come to a stop after the warning shot is fired.

This strategy must have the capacity to evolve in consonance with the new means of defense Europe will acquire. It goes without saying that if experts were, in the future to develop conventional or tactical nuclear weaponry capable of stopping an offensive within a maximum depth of a few dozen kilometers, the defense concept outlined herein could be adapted to the new battle conditions.

For European strategic forces to be credible, it is essential for them to evolve with time. The development of penetration aids for aircraft and missiles, the spectacular improvement in the accuracy of nuclear delivery systems, and the development of electronic countermeasures capable of confusing destructive systems demand that Europe continuously adapt its strategic instrument to the characteristics of the threat. This means that Community nuclear forces must be supported by an effective detection and warning system. Consequently mastery of space is an absolute necessity because it alone can permit Europe to overcome the handicap that the limited expanse of its territory and the current inability to effect timely detection of the threat constitute.<sup>(8)</sup>

Likewise the Community must continuously explore all technological avenues that in the more or less long run could lead to the development of weapon systems liable to circumvent its defenses. Without offhandedly launching into capital expenditures its economy would barely support, it must, however, be capable at all times of developing the new facilities and equipment necessary to its security. In this connection, it cannot rely upon someone else to ensure that its defenses are always adequate to cope with the threats to which it might be subjected.

As we saw earlier, strategic protection extends to all of the European territory. Every region that is part of the Community, no matter how far it may be from the strategic decision-making center, must be assured that the nuclear deterrent will function in its behalf if it is subjected to an act of aggression. This principle applies to the Community's northern and southern flanks as well as to the central regions currently under direct threat. To dispel any lingering ambiguity on this point, action should be taken to establish in each Community country at least one strategic nuclear base, the presence of which would unequivocally mark the European strategic force's all-inclusive protective cover. This measure is not dictated by imperative technical requirements but is prompted by psychological objectives and the need to have all nine Community countries share all risks equitably.

## 2. Strategy Dictated by Events

However sound it may be, the strategy of deterrence described above may fail and the enemy may launch an attack on the Community despite the risks of massive retaliation such action would involve. Any strategic action supposes two actors, the aggressor and the "aggressee," but it is impossible to determine the aggressor's reactions beforehand. This element of uncertainty must be taken into account, regardless of the efficiency of the nuclear system deployed. Should deterrence fail, it would be up to Community political authorities to define and implement a

strategy tailored to the circumstances: withdrawal to an external redoubt,<sup>(9)</sup> last-ditch stand, and organization of internal resistance. This strategy cannot be determined in peacetime. It is dictated by events and is prompted by the resolve to be able to recover the entire European territory one day. Like the strategy of deterrence, it must be clearly affirmed. In fact, history has shown over and over again that this strategy can culminate in victory provided it is implemented with unflagging strength.

In any event, and to conclude our discussion of this point, the Community's strategic concept should, in the future, evolve in accordance with three major factors:

- a. Possible changes in tactics as shown by the writings of several American experts (Witney, Cohen, Coter, Macmillan);
- b. Changes in civil defense systems;
- c. Evolution of peoples and nations in the face of nuclear weapons.

Indeed it is not impossible, that the coming decades may bring about a "desacralization" of nuclear weapons, a development that could revolutionize the basic principles of deterrence as we know them today.

#### General Elements of Deterrence

To be completely credible, the Community strategy of deterrence must be backed not only by strictly military forces, but also by two other essential elements, namely a political decision-making authority capable of employing the strategic forces at any moment, and a set of resources other than military--civil defense, internal security, strategic raw materials stockpiles--that ensure the Community's real independence in the event of a serious emergency.

##### 1. Political Decision-Making Authority

The Community's strategic forces cannot be used to serve special interests. Nor can they be employed at variance with international law and any obligations assumed in the past. It is essential, however, that the decision to employ the Community's strategic forces be capable of being made at all times with full knowledge of the facts. Rapid response is, in fact, one of the most essential factors of the nuclear defense system, thereby establishing the principle that decision-making authority must be exercised by a single entity.

In any case, the use of nuclear forces, whether strategic or tactical, must rest with a political authority. In theory, it would no doubt be possible to assign supreme decision-making authority to a collegiate body composed of representatives from each one of the member countries of the Community, but such a procedure would deprive the European strategic forces of all credibility. It is essential, therefore, that nuclear authority be held solely by a single executive, irrespective of the form of that executive.

Nevertheless, to ensure that the Community's nine countries effectively participate in the overall decisions affecting them, a dual organizational structure should be established to enable them to have a say in Community strategic affairs. This structure could include a crisis-management directorate and a defense council.



a. The crisis-management directorate would be composed of the chiefs of state or heads of government of each of the Community's nine countries. It would be authorized to meet as and when necessary. Its function would be to assist the executive in preparing any decisions relative to the Community's strategic nuclear forces. In the event of a serious international crisis, it would remain in session until the conclusion of that crisis.

b. The defense council is also a political body. It would be responsible for assessing threats to the Community, monitoring their development, and compiling information necessary to making appropriate decisions consistent with the international situation. It would also have the task of preparing plans and programs for the defense of Europe. The defense council would be composed of the defense ministers of the nine Community countries, and also their chief assistants. It would have a standing group attached to the executive, namely the security council.

## 2. Resources Ensuring Strategic Independence

The Community's armed forces cannot by themselves alone provide complete protection to member countries. Regardless of their credibility, these forces are but one element of a comprehensive system whose other elements are described in subsequent chapters. Their full effectiveness depends particularly on three complementary elements which, in the case of the Community, take on special importance. These three are: civil defense, protection against subversion, and strategic stockpiles of raw materials.

### a. Civil Defense

The definition of an anticities strategy coupled with one or more probing operations does not mean that Europe's vitals must remain exposed to possible enemy strikes. Quite the contrary, the credibility of the European deterrent system rests in part on steps taken in peacetime to protect these vitals to the greatest possible extent from the possible effects of a nuclear or conventional attack. It is possible, moreover, that, in the coming years, development of an effective civil defense system will be a priority task for the major powers. Current discussions in the United States and measures already taken by the Soviet Union tend to indicate that this policy could become a key element of deterrence. Europe is characterized by concentrated industrial areas and a high level of urbanization. It must, therefore, pursue an exceptionally active policy in this field. Even if it is shielded by a strategic nuclear force, Europe must so organize as to survive a nuclear attack. Its second strike capability, the essential condition of its survival as a nation, has no meaning unless it is backed by an efficient civil defense system. Europe's population must be organized and trained in peacetime to withstand any kind of attack. This is especially important in the face of an adversary whose strategy includes panic as a basic element of success, that panic which would be generated by a lightning attack on a densely populated area.

### Internal Security

Recent information obtained by the military staffs of several European countries reveal that Warsaw Pact forces are training special groups to be sent into Community rear areas with the mission of disorganizing the Community production system and attacking strategic targets from within.<sup>(10)</sup> This information shows how

much it is necessary to augment the strategic security system with an internal defense system capable of shielding Europe from subversive activities. Special care and attention must be given to the security of command and control centers, air bases, missile silo sites, strategic ports, and shore-based logistical facilities for the missile-launching nuclear submarine fleet. Such internal defense is a high priority task of the conventional defense forces.

### c. Strategic Stockpiles of Raw Materials

Because it possesses none of the mineral or energy-related raw materials necessary to its industry and armed forces, Europe, as we have seen, is highly vulnerable. It cannot run the risk of having its strategic reserves exposed to a potential enemy's fire. Hence it must follow an unusually strict policy in this regard. This means that Europe must build up sufficiently large strategic reserves of raw materials to protect it from temporary interruption of its supply lines. This also means that Europe must establish a system for the protection of these stockpiles so that in no case--direct or subversive attack(11)--would it be at risk of running short of fuel or other basic commodities indispensable to its industry.

If each of the imperative requirements described above were met, there is no doubt whatever that Europe could respond to the threats it currently faces. The strategic and tactical forces, nuclear and conventional, at its disposal could perform their mission under such condition that the European sanctuary would be protected as effectively as possible.

## Chapter 2. External Action

Protection of the European "sanctuary" against the encroachments of its adversaries is an essential condition of Europe's independence and is, therefore, the primary mission of its military forces. This protection cannot, however, ensure the Community's security by itself alone. In the world in which we live, and with the very long-range force employment capabilities of the major powers, encircling movements on a global scale can be just as dangerous a threat as a direct attack on Europe's territory.

Indeed if we consider the events that have occurred on our planet during the past 30 years, we may well wonder if such an encircling movement is not actually underway. The spread of agitation in the Third World, the eviction of Western countries from Indochina and the Middle East, and Tropical Africa's disorders are, in fact, making it more risky everyday for European countries to obtain supplies of raw materials and energy. This turbulence is also steadily reducing Europe's influence in the world. In such circumstances, the continuous build-up of the opposing armed forces may quite well be designed to hold Western forces in the European theater so as to bar them from any external action.

But Europe is so positioned that it cannot dissociate itself from world affairs. Depending as it does on other countries for the bulk of the basic commodities its industry needs, and having to protect territories scattered throughout the world which constitute an integral part of its territory, and also bound by historic,

political, and military ties to numerous extra-European countries, Europe has major international interests and responsibilities. Its strategy cannot be exclusively continental. That strategy is global and total at one and the same time: global because it is exercised throughout the globe, total because it involves all fields of human activity.

Under these circumstances, it is apparent that an external action capability is a basic requirement of the Community defense system and that the Community must provide itself with the military resources needed to exercise that capability under optimum conditions. In this particular context, Europe's military forces are designed to support Europe's external policy.

### Forms of the Threat

Without directly attacking the European "sanctuary," and consequently without running the risk of exposing itself to the threat of retaliation by the Community's strategic forces, it is still possible for an enemy to deal Europe very hard, if not decisive, blows. All that need be done to accomplish this is to cut Europe's sea lines of communications, attack its sources of supply, attack its allies, or seize the bases it has established outside of European territory. This threat is particularly dangerous if carried out against the less strongly defended southern flank. It must be pointed out, however, that an action of this latter type would almost inevitably lead to a direct threat to the European sanctuary, a threat that would be met by the responses envisaged in the preceding chapter.

Possible threats to the Community outside the European "sanctuary" can be grouped into four principal categories:

#### 1. Threat to Community Territories

Europe is present throughout the world, not only by its nationals, its ships and aircraft, but also and above all by the territories under its jurisdiction. These are located in every latitude and have belonged to the Community for several centuries. Excluding the two Guianas--French and Dutch--all of them are islands or archipelagos.

These territories are of prime importance to the Community because:

a. First of all, they constitute stationing areas where European forces can be resupplied. They thereby participate in the Community's external action. They save the Community from having to solve the problem of external bases, a source of difficulty for the other major powers. Generally located in strategic points, these territories are natural observation posts overlooking the major sea lanes and they enable Europe to play a political role in the regions concerned. Their port facilities are generally sufficient to provide logistical support to Community ships.

b. Secondly, they house some of Europe's most essential facilities, particularly the nuclear test center (Pacific) and the space center (Guiana). In this capacity, they hold a determining position in the Community's defense system. The Community could not, in fact, conduct elsewhere than in these isolated territories the tests

and experiments necessary to the development of its strategic and tactical nuclear weapons, delivery systems, and satellites. It should be noted, in this connection, that Europe is the only major power that does not have within its own metropolitan territory the space absolutely required for the conduct of such research and development.

Each one of these territories can be the target of direct and indirect threats. Their great distance from Europe proper and their small size make them highly vulnerable to all forms of aggression: limited local operations, sabotage, and blockade. There is nothing to prevent them from being the object of takeover attempts by a major power through more or less spontaneous independence movements. Their strategic importance does indeed mark them as priority targets and it is conceivable that in case of war the enemy would endeavor to seize them in an effort to weaken the Community in decisive fashion.

A direct attack on one of these territories could probably occur, however, only in the event of open conflict and with the objective of outflanking Community defenses, for it would constitute an act of war. Indirect actions are, therefore, more likely.

## 2. Severing Europe's Sea Lines of Communication

Europe receives almost all of its necessary mineral and energy-related raw materials by sea. As the world's leading trading power, it ships and receives the bulk of its exports and imports via its North Sea, Atlantic, and Mediterranean ports. Partial or total interdiction of its sea lines of communication would consequently pose a considerable threat.

Actually, Europe is the only major power to thus depend on the outside world. The United States and the Soviet Union have sufficiently vast territories to contain the basic commodities indispensable to their survival. In case of a serious and lasting emergency, both countries can live quite well in almost complete autarky without running the risk of near-term economic strangulation. The same does not apply to Europe which could not long retain its independence if its umbilical chord to the rest of the world were cut.

The Community's sea lines of communications can be interdicted in three different ways:

a. First by attacking its shipping. European merchant ships constitute the world's leading merchant fleet. They crisscross all the oceans of the world and ply all of the recognized sea lanes: the North Atlantic route for service between America and Europe; the Cape and Indian Ocean route for service between Asia, the Middle East, and Tropical Africa; the Mediterranean route for service between the Middle East, North Africa, and Europe. Interdiction of any one of these routes which handle most of Europe's trade with the rest of the world would deal the Community a very severe blow. This interdiction can be accomplished particularly with submarines patrolling the high seas and attacking merchant shipping in general or selective fashion. While such interdiction is out of the question in peacetime, it can become a reality in case of serious tension and be used by the principal adversary as a means of direct action designed to weaken Europe at a critical



time or pose a vital threat forcing it to negotiate. In this case, it may be the doings of one of the countries bordering one of the sea lines over which supplies to Europe pass. This speaks volumes on how important events on the African Continent and around the Mediterranean basin are to the Community.

b. Then by blockading sea lanes. This possible method differs from the preceding one in that it involves not only direct attacks on shipping but a veritable interdiction of the maritime routes servicing Europe. Considering the gravity of this type of action, it can be taken only when international tension has reached a high level of intensity. Nothing, however, rules out the possibility of its being taken on one or another of the major sea lanes. Such a strategy can be implemented only by one of the two superpowers because of the naval and air forces it requires. But it is completely within their capabilities and everyone knows how much both powers have expanded their battle fleets in the past 20 years. Unlike the preceding method, this one implies direct action by the power concerned and must be considered an act of war. The response to this kind of aggression is very difficult to organize, however, particularly because this blocking action may permit the enemy to circumvent the European deterrent.<sup>(12)</sup>

c. Lastly, by attacking ports of call. An action of this type now tends to be no more than a theory inasmuch as modern ships, tankers in particular, are designed to sail from one continent to another without having to refuel en route. Yet it is part of the range of possible crisis situations because a certain number of merchant ships continue to put in at specific points in the world. Under these conditions, a possible enemy may be tempted to seize the most important ports on one or another of the sea routes to Europe: Dakar, Capetown, Djibouti, or Singapore, for example. Without dealing the Community a decisive blow, an action of this type would be dangerous. The seized port would constitute an excellent base of operations for pure and simple interdiction of the sea route concerned.

### 3. Attack on Europe's Sources of Supply

This action is more attractive to an aggressor in that it is less dangerous for him and makes it particularly difficult for the victim of the aggression to respond. Instead of trying to strangle Europe by attacking its shipping or severing its maritime supply lines, the principal enemy can, in fact, make every effort to strike at Europe by seizing control of the regions from which it obtains those commodities it absolutely needs. Given the distribution of the world's natural resources and their concentration in well-defined areas--Middle East, Tropical Africa, and South America--this strategy is relatively easy to implement. It merely requires a local, limited and indirect seizure of control similar to the one certain powers have carried out in Africa and the Middle East these past 10 years. In this regard, it is certain that the installation in certain countries--Iraq, Saudi Arabia, Sudan, South Africa, and Brazil, to mention but the most important--of political regimes hostile to Europe could have incalculable consequences for the Community.

Enemy action against Europe's sources of supply can be taken in three different ways: attack in force, subversion, seizure of political control.

#### a. Attack in Force

This is the most ruthless form of indirect offensive action against Europe. Although it is scarcely conceivable outside of a period of acute tension in the world because of its international implications, it is still within the capabilities of countries like the United States and the USSR. (13) In the present state of the art, it is possible to conduct successful very long-range airborne operations. This capability is the result of a sustained systematic effort for more than 10 years, a preparatory effort that now gives the superpowers the means of rapidly intervening in Africa, Asia, and the Middle East. This is a new factor in international politics, a factor that in the future could alter the balance of forces in different regions of the world. This situation is especially disturbing in that these countries maintain considerable naval forces in the Mediterranean, the Indian Ocean and Pacific Ocean, forces that could, if necessary, support large-scale combined air and ground operations. Under these circumstances, an attack in force on Europe's main sources of supply can no longer be ruled out.

#### b. Subversion

This is currently the most likely and most dangerous form of action Europe's principal adversary could take against the Community. This can be done in a variety of ways ranging from acts of sabotage to large-scale subversive operations liable to result in the installation of hostile regimes, as happened recently in Afghanistan. It is quite apparent that attacks on a small number of carefully selected strategic targets—oil fields, oil and natural gas loading terminals, oil and gas pipelines, mining installations and port facilities—in the raw materials-producing countries would be enough to interfere very greatly with Europe's procurement of supplies. Such subversive operations are especially plausible in that most of the countries involved have such relatively unstable political regimes that it is easy to incite small groups in those countries to conduct the necessary sabotage operations.

#### c. Seizure of Political Control

This can be the result of subversive activity carried to its extreme conclusion or simply the consequence of a change of alliance. In any event, however, it is a major threat to Europe. This, in fact, is how the encircling movement via the Third World is liable to be accomplished. (14) In any case, over the past 10 years, this encircling movement has caused many upheavals in the spheres of influence of the two superpowers, and the odds are that it will expand in the future.

#### Forms of Response

The scope and diversity of the threats liable to interfere with Europe's interests in the world make it imperative that the Community clearly devise the responses it might have to employ in case of direct or indirect aggression. For this reason, an external action capability is the second part of a balanced policy for the defense of Europe. This capability is just as essential as the protection of the territory and it is truly an important contribution to that protection.

This action capability necessarily includes the active participation of all the Community's military resources, including tactical nuclear weapons that can have

a very important deterrent effect. Employment of these resources depends, however, on the form of the action that might be taken against Europe. These resources may be employed from the Community itself or from stationing areas or bases the nine Community countries have throughout the world.(15)

The response to an act of aggression may be defensive as well as preventive. In both instances, the response is designed to assure the Community full use of the sea lanes and protect its extra-European territories against possible indirect threats. This response is the task of available naval, naval air, and air forces, the purpose of which is to give Europe the capability of reacting immediately and commensurably to aggression.

#### 1. Intervention Possibilities

a. The naval air forces play a most important role in the defense of the Community. Whether it be a period of apparent peace, or a period of serious tension, or a period of open conflict, these forces have the primary mission of providing the external action capability. This mission consists of four major tasks: surveillance of the sea lanes, protection of European shipping, attacking enemy forces, and protection of Community territories.

##### a. Surveillance of the Sea Lanes

Its purpose is to make sure that the merchant fleet of the nine Community countries has freedom of passage in all the seas of the world and under all circumstances. This surveillance is conducted pursuant to international law and by conventional naval forces. It covers mainly the major sea routes over which the bulk of the traffic servicing Europe passes. It is reinforced in those regions of the world considered critical: straits, areas of conflict, and approaches to major ports. It must be capable of detecting all enemy ship movements liable to interfere with the movements of European fleets or launch an attack on the sea lines of communication.

##### b. Protection of European Shipping

This protection is essential in a period of tension because the Community's continued resupply of vital commodities depends on it. For this reason, it may include all available naval and naval air forces. It must at all times be adaptable to the threat in all its forms, whether it be wide-ranging or local operations, or even acts of piracy. As in the case of surveillance, this protection task is highly important in constricted transit areas--straits, channels, etc.--through which shipping has to pass, passages in which enemy intervention may be most dangerous. This protection may, if necessary, extend to such strategic targets as oil terminals and ports where European ships take on fuel and supplies.

##### c. Attacking Enemy Forces

If the threat takes aggressive shape, Community naval and naval air forces must be in a position to intervene against enemy forces and counter all actions they might take, such as intercepting convoys, attempting to blockade coasts, amphibious operations, etc. Hence geographical deployment of Community forces must be

based on naval observation of enemy movements and continuous assessment of the threats they could pose. The attack is generally defensive and, therefore, in response to an overt hostile act. But it may also be preventive if, in the event of a serious emergency, this type of action is deemed necessary to preserve Community freedom of action.

#### **d. Protection of Community Territories**

Naval and naval air forces provide most of the units assigned to the defense of the Community's extra-European possessions. Because the latter consist of numerous territories and are generally small in area, it is impossible to maintain large standing air and ground forces on them. Under these circumstances, the naval and naval air forces have the mission of protecting them. While an attack against a Community territory constitutes an unmistakable act of aggression, it is quite possible that the enemy may launch more or less disguised indirect operations of a local and limited character, actions against which no large-scale response is possible.

Under these conditions, it is essential that the naval and naval air forces have the capability of intervening to halt aggression regardless of its form.

#### **2. Intervention Capabilities**

Because of the magnitude of the missions assigned them, missions summarized in the preceding pages, the naval and naval air forces have a basic responsibility in the defense of Europe. Their equipment and armament must be adapted to the tasks they might have to perform in peacetime as well as wartime. These forces are organized into three main categories.

##### **a. Submarine Forces**

Their mission is to participate in all operations designed to keep the sea lanes open: protection of convoys, attacking enemy forces, and antisubmarine warfare. Their intervention is essential in case of conflict because on them depends freedom of passage for our merchant ships, convoys, and battle fleets. Originally consisting of conventional submarines, these forces have since been reinforced with nuclear-powered attack submarines (SNA). The latter's performance characteristics actually enable them to perform most of the missions assigned to naval forces with remarkable effectiveness, except, quite obviously, such missions as support of ground forces and surveillance of ships in peacetime.

##### **b. Naval Air Forces**

These are organized around aircraft and helicopter carriers. Because of their long-range intervention capability, they are destined to play an important role in the defense of Community territories, surveillance of sea lines of communication, and operations against various undersea or surface forces. They are armed with both conventional and tactical nuclear weapons. Naval surface forces are deployed in all maritime areas through which Europe's mineral and energy supplies pass. They must constitute by themselves a force of sufficient strength to respond to all direct and indirect attacks enemy forces might penetrate.



### c. Intervention Forces

Though organized and equipped basically for operations launched from the national territory, these forces can, nevertheless, participate in the defense of Community territories or in air-supported ground operations necessary to keep Europe's sea lanes open. Drawn from a strategic reserve and tailored to fit the requirements of the moment, these forces may be employed in support of the naval air forces as and when necessary, but on a temporary basis.

Their participation in such support tasks is exceptional, however, because their primary mission, to be described later, consists in furnishing appropriate support to countries that have defense agreements with Europe, support those countries have a right to expect.

### 3. Aid to Allies

This aid is organized pursuant to defense agreements between the Community and other countries. Its purpose is to furnish Europe's allies the continuous or ad hoc assistance they need. This assistance may be rendered in many ways that can be reduced to three main categories: military aid, logistical support, and technical assistance.

#### a. Military Aid

This aid can be comprehensive or selective and be furnished in a wide variety of circumstances. It ranges from intervention by Community air-supported ground forces in rapid commando-type operations like those conducted by France upon Zaire's request, to long-lasting operations in defense of an allied country against foreign encroachments as was the case when French troops were dispatched to Chad and Mauritania. Forces employed in these different cases are directly commensurate with the type and scope of aggression to which the countries concerned are subjected. If need be, these forces can be provided or supported by the naval and naval air forces assigned to secure the Community's sea lanes and defend the Community's extra-European territories.

#### b. Logistical Support

Intervention by Community forces may not necessarily be based on the participation of European units in combat operations. It may consist in furnishing support in such fields as transportation, weapons or ammunition supply, and communications. In such instances, the support given involves direct participation by the Community in the allied country's own military effort. This form of assistance is particularly important to those countries whose main effort centers on protecting their national territory and who would find it difficult if in addition they had to ensure their own resupply. Logistical support may also include supplying weapons and equipment indispensable to Europe's allies. Such support gives arms sales a special dimension and entails specific duties for the Community.

#### c. Technical Assistance

This consists mainly of aid given by Europe in instructing and training officers and noncommissioned officers of allied armed forces, organizing their national

military establishments, and training their armies. This function is of prime importance in that it gives Europe's allies the capability of providing for their own security under the best possible conditions. For this reason, such assistance is a fundamental element in defense agreements. The purpose of technical military assistance must be to give recipient countries modern military establishments. It operates in many different ways depending on each country, but must be viewed by Europe as one of its most essential missions. (16)

### Chapter 3. Decision-Making Autonomy

The Community has nuclear and conventional forces capable of deterring a potential enemy, forces powerful enough to protect both its European territory and its distant possessions. In addition, the Community must also be able at all times to determine the policy it intends to follow in the military field. Its freedom and capacity to act cannot be truly effective unless buttressed with real decision-making autonomy. While there is actually no absolute independence in a world marked by the interpenetration of peoples and nations, complete control of its defense forces is one of Europe's prime requirements.

This control should be the Community's principal security objective in the coming years. It could be based on four main factors.

1. Political independence, i.e. complete decision-making capability with regard to essential political choices.
2. An economic capacity sufficient to supply the Community's armed forces with arms, ammunition, and raw materials.
3. Adequate scientific and technical expertise so that at no time will Europe allow the credibility of its defense system to decline.
4. An intelligence and intelligence-analysis system capable of collecting and processing information necessary to the defense of Europe.

#### Political Independence

This independence must be maintained by Community institutions freely chosen by member states.

Political independence is one of the means used to preserve that decision-making autonomy which is the fundamental principle governing Community policy. It follows, therefore, that Europe cannot bind its fate to that of an external power by treaty or any other act.

This principle does not mean breaking diplomatic and military agreements linking the Community to a country or group of countries. It does mean imposing strict rules to be followed when revising these agreements.

Consequently all military agreements concluded by one of the nine Community members have to be reexamined with a view to adapting them to new realities. Such is the case particularly with agreements the Community has with other European countries

and the United States within the NATO or Western European Union framework. The same principle applies to agreements with countries that are not members of a Western alliance. In Part 4 of this study, we shall see how this system of alliances could be organized in the future.

Community political authorities must act in such a way that Europe's decision-making autonomy remains intact under all circumstances and that provisions established to accomplish this be strictly enforced. This should prompt these authorities to define a total strategy encompassing all aspects of the Community's defense, whether political, economic, financial, diplomatic, or military.

Furthermore, it stands to reason that the command organizational structures established to carry out Community defense decisions must themselves be so protected as to always have freedom of action and thus be in a position to perform their mission.

### Economic and Financial Capacity

Even though, as we explained earlier, this problem is outside the scope of this study, Europe's economic and financial resources are an essential element of its system of protection. In a very direct way, three principles should govern any action taken on such matters by the authorities responsible for Community defense policy. These three principles are: maintenance of large monetary reserves, maintenance of sufficient strategic stockpiles, and organization of a system of energy reserves and resupply commensurate with the wartime requirements of European military forces.

#### 1. Monetary Reserves

These decisively contribute to the Community's political independence. They are, therefore, an essential factor in maintaining decision-making autonomy. It is essential that at all times, including the most serious situations, these reserves be kept at such a level that the Community's money supply will remain commensurate with its vital needs. It is, therefore, up to the European executive to determine what fraction of these reserves--precious metals, coins and paper money--is considered strategic and not "touchable" under any circumstances. This information will be kept tightly secret and be known only to the Community's highest political authorities. The exact amount of these reserves must be determined on the basis of the different possible conflicts in which the Community might become directly or indirectly involved.

#### 2. Strategic Stockpiles

These stockpiles initially consist of reserves of raw materials maintained in each of the Community countries. They should, however, eventually be gradually integrated into a community system organized on the basis of imperative geographical and political requirements. They must also be designed in such a way as to give the Community's industry and armed forces the capability of supplying themselves even if part of the European territory is threatened. The Community's external territories must participate in this system of vital reserves without which it would be possible for an enemy to subjugate Europe without resorting to direct

military threat. Concurrently with the constitution of these raw materials stockpiles, it will be necessary to devise and establish a defense system to protect them against enemy attack. It will also be highly advisable to develop a defense plan for the land, sea, and air routes used to convey these commodities to wherever they are to be processed or used. (17)

### 3. Energy Reserves

Whether it be conventional energy sources--coal, oil, natural gas, water power--or new sources--nuclear, solar, and others--maintenance of a large energy capacity tops the list of economic resources necessary to the Community's independence. Consequently special attention should be given to the problems of supplying and storing Europe's necessary energy products. Indeed, Europe is in a highly vulnerable state even if the North Sea oilfields are likely to reduce its dependence in the future. It is obviously essential, therefore, to establish a strategic stockpile system consistent with actual defense requirements. Existing reserves are not sufficient to cover emergency Community needs, especially since they are constituted on the basis of each country's own national defense system and do not meet the requirements of an integrated defense system.

Land, air, naval, and paramilitary forces, along with the external intervention forces, will participate, within the scope of their own assigned missions, in the long-range and close-in defense of all Community strategic stockpile sites. All of these forces must, therefore, be suitably manned and equipped to perform this mission.

### Scientific and Technical Expertise

In the future, science and technology will tend to play an increasingly greater role in the process which guarantees modern nations full exercise of their sovereignty. Special care and attention must be devoted to such matters because of the key position they hold in the military field, an area in which technological advances quite frequently originate. If Europe were to let itself lag behind other major powers in certain "sensitive" sectors, its decision-making autonomy would decline little by little and Europe would eventually become totally politically dependent.

The Community's fundamental or applied research effort must be systematically increased. Europe's research laboratories and centers are among the best equipped in the world and operated by numerous and competent research teams. Unfortunately, however, Europe far from displays that dynamism necessary to keep pace with research developments in other major powers, notably the United States and the Soviet Union. If Europe were to continue on its present course, and particularly if it were to continue its research efforts in as dispersed a fashion as it currently does, it would fall hopelessly behind in the technological progress race.

While it is evident that the Community effort in this field ought to be extended to all aspects of research, it is not within the scope of this study to outline the major points of a European research development plan. It is appropriate, however, for us to summarize rapidly the principal priority directions the Community's military research programs should take.



## 1. Nuclear Weapon Systems

French and British test centers and laboratories place Europe in a relatively good position to explore those subject areas—delivery systems and warheads—in which the most important breakthroughs are likely to occur in the next few years. Without such research necessarily having to result in the deployment of new weapon systems, Europe should, nevertheless, assure itself of the continuous capacity to develop the nuclear weaponry it might need, or to improve those weapons it already has. Because the atom will long continue to remain. A key element of strategic weapon systems, nuclear research must retain a high degree of priority. In addition, competent agencies should expedite current research programs on enhanced radiation weapons as much as possible. This may become one of the areas in which the most spectacular progress is made.

## 2. Use of High Energies

Even though research in this field is only in its infancy, it does appear destined in the relatively near future to bring about mastery of techniques related directly to the use of coherent light as a weapon, as a means of defense, or as an instrument of control and communication. The magnitude of the resources allocated to such research in the United States and the Soviet Union show that military applications of high energy will be one of the great end-of-century technological breakthroughs. Hence, Europe must in turn carry out the research programs required to enable it to duly meet its requirements. It already has all of the necessary skills. All it needs is to coordinate the programs in the different countries currently engaged in this particular field of research.

## 3. Space

It has been repeatedly said that control and use of space would be a determining element in the defense posture of the major powers within a period of no more than 20 years. This statement coupled with the fact that Europe has fallen far behind in this field enjoins the Community to initiate very rapidly a research and test program enabling it to narrow some of the lead held by the United States and the Soviet Union. In this field too, Europe has all of the resources necessary to meet its requirements. All it need do, therefore is give this research the impetus that will enable it to overcome current obstacles.

## 4. Electronics and Electronic Data Processing

All of the progress achieved during the past 20 years in weaponry, particularly the spectacular increase in the accuracy of strategic weapons, was made possible by mastering electronic phenomena. Prospects offered by current research in all large countries indicate continued and accelerated progress. It is now readily foreseeable that these advances will extend to all weapon systems as well as all transmission, communications, and control systems. The armies of the future will make sustained use of electronic data processing and electronics. This situation thus compels European industries to furnish the necessary research and production effort. As for the armed forces, they must learn to live in an electronic data processing environment. (18)

## Intelligence Capabilities

Because important, accurate, and complete information is a basic condition of decision-making at both the political and military level, the collection and processing of intelligence must be organized as rapidly as possible at Community level. Without disbanding existing agencies in the nine Community countries, an intelligence service should be created and assigned the mission of collecting information gathered at national level and then analyzing it for the Community's political and military authorities. When this service is fully operational, Europe should have an intelligence system capable of assuring it the autonomy which is indispensable in such matters.

Under no circumstance will this system be able to act independently. It will be directly responsible to the European executive to which it will be attached. Its activities, budget, and resources will be continuously monitored so as to avoid the excesses noted in certain large countries. Its resources will be both powerful and diversified. They will be constantly adapted to any technical changes occurring in this field.

In addition to political intelligence, the services involved will be responsible for evaluation of military intelligence. They will have to scrupulously respect the Community's political independence at all times. In plain language, this means that their relations with the intelligence agencies of allied nations cannot be other than those assigned them by European authorities.(19)

## Part 4

### Introduction

Having reached this point, and before concluding, it would be fitting to picture what a specifically European defense system would really be like, a system based on the objective particulars described in Parts 1 and 2 of this study as well as on the defense concept outlined in Part 3. In the language of the specialists, a "feasibility" study has to be conducted to determine whether the choices made earlier are realistic.

The plan described in the following pages is, therefore, nothing more than a stylistic exercise meant to stimulate reflection. It indicates how in 5 years the Community could so rationalize its defense effort as to make optimum use of Europe's human, geographical, economic, and financial resources. It also offers some idea of how the defense concept defined earlier could be given material form within the European framework.

We shall assume, therefore, that political obstacles having been removed and the definitive pattern of relations between countries of the Community having been established, European leaders then decide to implement an initial defense plan. What would the major principles of that first plan be?

In the light of conclusions drawn earlier, we may consider that these principles would be centered on four major goals:

1. Ensure Europe's nuclear independence. The Community having the nuclear forces described in Part 2, the problem becomes one of ensuring that the Community has complete decision-making independence relative to possible employment of these weapons. The Community must also be able to maintain the technologies and resources required to acquire future weapon systems. At the same time, the organization of these nuclear forces must be adapted to the principles of employment defined in Part 3.
2. Reconfigure Europe's military forces. More or less shortly, the Community's land, naval and Air Forces must constitute an integrated system capable of meeting all possible threats. The problem, therefore, is one of unifying their organizational structures and deploying their units in such a way that the protection of Community space is both thorough and effective. This entails, among other things, coordination of the arms industries in the nine Community countries.
3. Restructure Europe's alliances. Without ever letting the Community become unprotected, the system of alliances and defense agreements should be so restructured as to ensure the Community complete freedom of action. When the plan described herein is fully implemented, the Atlantic Alliance's structures should be completely readjusted to conform to the new political realities created by integration of the European armed forces.
4. Adapting the financial effort to requirements. The Community's present economic resources are not unlimited but they do as of now permit European leaders to make the strictly necessary effort to standardize and coordinate the defense systems of

the Community's nine member countries. This implies readjustment of European military expenditures on the basis of imperative requirements created by the new defense concept for Europe.

The following three chapters describe how these four goals could be expressed in concrete terms through a first European defense plan whose materialization would be the emergence of the Atlantic Alliance's second pillar.

#### Chapter 1. Ensure Europe's Nuclear Independence

Community nuclear forces will be given absolute priority during the entire implementation of this first plan. Objectives pursued during this period will be three in number:

1. Affirm the Community's strategic doctrine to foreign powers.
2. Organize the forces so as to enable them to accomplish their missions as effectively as possible.
3. Adjust resources to the technological changes that will inevitably occur.

The resources the Community has at the present time and the progress it will make in nuclear matters in the course of these 5 years will be sufficient to give Europe the strategic protection it needs. Under no circumstance will any effort be made to achieve parity with the United States of America or the USSR. The goal will be to obtain the capacity to destroy the enemy's vital centers in accordance with the nuclear strategy defined earlier.

#### Affirmation of the Nuclear Doctrine

Adoption of a single concept for the nine European countries, the first step in the process of creating a defense Community, will be accompanied by a series of declarations and acts marking the willingness of European political authorities to use nuclear weapons in defense of their territory. The profoundly political nature of nuclear weapons will make it absolutely necessary, however, to develop a complex diplomatic and military system giving the threat of nuclear weapons employment its full credibility. Affirmation of the European strategic doctrine will thus be such that a potential enemy can have no doubt about the reality of the response an aggression could trigger.

To achieve this affirmation as rapidly as possible, action should be taken simultaneously in three areas:

#### 1. Political Declaration and Military Schools

As soon as the plan is approved, Community authorities will have to mark their resolve to apply the European nuclear doctrine in all of its aspects. To do this, they will focus their effort on three different groups:

- a. On foreign powers. By appropriate diplomatic means, the authorities will have to convey their determination to never allow any aggression to be perpetrated against European territory. Their position on major international negotiations-- Strategic Arms Limitation Talks (SALT), Mutual and Balanced Force Reductions (MBFR)-- will be reexamined in such a way as to manifest a firm and unshakable will on this essential point.



b. On European public opinion. European authorities will have to explain their position in clear and unambiguous terms. Extension of the nuclear guarantee to cover all of the European space will inevitably arouse some skepticism for a certain period of time. For this reason, the European executive will have to inform the public to the widest possible extent that it is determined to employ all of its available forces and weapons to defend Europe. European officials, particularly parliamentarians of the Community's nine member countries and representatives of the most important social, labor, and professional organizations will be invited to visit strategic nuclear force installations as often as necessary.

c. Lastly, on the Community's armed forces. The European nuclear doctrine will have to be incorporated into the military school curriculum. Without waiting until instruction and training becomes standardized in officer and noncommissioned officer schools of all Community member countries, analyses and studies on employment of nuclear weapons will have to be brought into conformity with the concept defined earlier. All official documents, reports, and studies released to the public will be in accordance with the principles that are to govern Community nuclear forces in the future.

These three sets of measures designed to affirm the European doctrine should be taken simultaneously. As mentioned above, the change in the Community's political dimension will be accompanied by a critical period during which Europe will be particularly vulnerable to external threats. For this reason, the unambiguous affirmation of a clear doctrine on employment of strategic forces will be an important element of the new European defense system.

## 2. Organization of the Strategic Chain of Command

As soon as the principle of nuclear protection of the European territory in its entirety is affirmed by adoption of the plan, it will be necessary to establish this chain of command so that it can become operational as quickly as possible. To accomplish this, the existing "machinery," particularly the command and control system that enable the President of the French Republic and the Prime Minister of Great Britain to alert the nuclear forces and, if necessary, issue the nuclear attack order, will have to be coordinated. The technical problems of this coordination will be resolved by consultations between Community political and military authorities. (1) Decisions for practical implementation of this coordination will be submitted to the defense council at its first meeting following adoption of the plan. Once approved, these decisions will be executed without delay. In the interval between their implementation in the field and their approval by Community political and military authorities, France and Great Britain will each separately ensure that powers outside Europe can have no doubts about their determination to use their nuclear forces to defend member countries. Targeting will also be the subject of coordinated studies conducted within the defense council by senior officials of the nine countries.

Those bodies having the responsibility of taking cognizance of Community nuclear problems, the security council in particular, will be established and become operational as soon as the plan is adopted. Their existence, along with the strategic chain of command, will, in fact, be an important element of the process designed to affirm the nuclear doctrine. Their existence will clearly demonstrate Europe's determination to use all necessary means, including nuclear weapons, to defend its

integrity. In a way, the existence of these bodies will be the main point of Europe's system of psychological deterrence.

### 3. Field Display of Nuclear Capability

Even though it is not necessary from a purely military standpoint--because of the prime importance of missile-launching nuclear submarines (SNLE) that are excluded by definition from the concept of specific geographical location--deployment of the strategic nuclear forces will be extended throughout the entire Community territory. This extension will be accomplished by establishing bases for the European strategic nuclear forces in different countries of the Community, particularly the Federal Republic of Germany, the Netherlands, and Italy. Base locations for Mirage 4 and Vulean nuclear bomber wings will be determined by appropriate European authorities. These sites will have to be such that they provide optimum protection for these aircraft against an attack launched by any power. Similarly, units armed with tactical nuclear weapons will be deployed throughout the European territory in such a way that a potential enemy can have no illusions about the determination of European authorities to respond to an act of aggression.<sup>(2)</sup>

Because of the problems it would create, redeployment of the missile silos now on the plateaus of Haute Provence in southern France will be studied in a second phase. Naval bases used by the strategic naval forces in France and Great Britain will be so improved as to be able to accommodate a fleet of 9 SNLE, a fleet to be increased to 10 or 12 submarines by 1990.

This display of the Community's nuclear capability will undoubtedly have but limited military value because it will in no way alter the capability of the operational forces. On the other hand, it will be of vital importance to public opinion in the nine Community countries. The general public will view it as a concrete and immediate expression of the extension of nuclear protection to the whole European territory. It will also clearly notify extra-European powers that the European government has the political will to defend its nine member countries with all available systems. It will thus doubly contribute to affirmation of the nuclear doctrine adopted by the Community's political institutions.

### Adaptation of Forces to Their Missions

Extension of nuclear protection to the whole European territory will inevitably create complex problems for which adequate solutions will have to be found as rapidly as possible. At the present time, for instance, French and British nuclear forces have no joint operating procedures, a situation which, in an emergency, could make it difficult to have the European strategic forces operate in consonance. Consequently the forces will have to be organizationally adapted to their new missions, and procedures and facilities for their coordination will have to be established. This adaptation will be achieved by the following different means:

#### 1. Reorganization of the Warning and Control System

At the present time, Europe has no independent communications system enabling it to respond within the time available to it in the event it is the target of a surprise attack. It now uses the NATO system which is largely operated by American forces and does not exactly meet Europe's requirements.

Considering the increasing accuracy of intercontinental ballistic missiles, the deployment of "Eurostrategic" mobile missiles in Eastern Europe, and the introduction of supersonic aircraft, like the Backfire bomber, equipped with low-altitude penetration aids and capable of carrying cruise missiles, the installation of an efficient warning and control system will be essential. As a matter of fact, without such a system, European nuclear forces are liable to have their credibility decline dramatically.<sup>(3)</sup>

The Community cannot resign itself to rely in such essential matters on the good will of its allies, no matter how generous that good will may be. Consequently creation of this system will be considered a priority. This means existing programs in different countries of the Community--Great Britain, France, and the Federal Republic of Germany in particular--will have to be so standardized and coordinated that in a very short time Europe can have the facilities required to provide maximum security for its strategic forces. Such will be the case with the airborne warning and control system (AWACS) currently being organized within NATO. Facilities assigned to that system by the Federal Republic of Germany will have to be contributed to the Community along with those planned by Great Britain and France. As soon as the plan is adopted, the defense council will issue necessary guidelines for settling the problem of standardizing warning and control systems. Interim agreements will be made with the United States of America and European NATO countries that are not members of the Community to ensure a smooth transition from the present organization to the future organization.

In any case, the first European military plan will call for the installation of the basic components of a Community satellite system that will provide strategic detection, warning, and communications support. These satellites will be tested as soon as possible. They will be launched by Ariane rockets, now in the development stage, from the Tourou space center in Guiana. They will have to be placed in an orbit that provides good coverage of the globe's dangerous areas. Information gathered through the satellites will be received and processed in different interconnected computing centers established in Europe. These centers will enable Community political and military authorities to be kept abreast of the strategic situation throughout the world at all times.

The existing different warning and control systems are designed mainly in anticipation of an attack coming from Eastern Europe. They will be partially reoriented to provide complete coverage of approaches to the Community's territory. The defense system for the southern approaches is not very satisfactory under present conditions and will, therefore, be given special attention because of the threats that could arise in the future from the Mediterranean and countries bordering on that sea.

## 2. Consolidation of Nuclear Development Programs

The European nuclear forces are equipped with weapons and equipment developed in France and Great Britain. The two countries took very different courses in acquiring their nuclear capability. France developed its own technology while Great Britain cooperated closely with the United States. As a result, the missile-launching nuclear submarines that form the core of the two nuclear forces are quite different. To make optimum use of funds allocated to the nuclear strategic forces during the plan, it will be advisable to prepare a program for building technological "bridges" between the two forces. Integration of the Community nuclear forces will have to be completed by no later than the end of the 1980's.<sup>(4)</sup>

Specialized nuclear research agencies working toward this goal in France and Great Britain will expedite their studies so as to be able to offer the defense council concrete proposals for establishment of a single nuclear development program. But to avoid weakening the European defense system during the intervening period, existing programs will be continued as scheduled, particularly those involving modernization of the missile-launching nuclear submarines and rearming them with multiple-warhead missiles.

As for the tactical nuclear forces, France being the only country in the Community to have developed the technical capacity to produce this type of weapon, the French ANT (tactical nuclear weapons) will be the ones deployed in operational units. An interim agreement will be made with the United States which has custody of the ANT deployed on European territory. At all event, this agreement will have to respect the principle of the decision-making autonomy of the Community's political and military authorities.

Various competent Community agencies will prepare a special research, development, and production program for ground-, air-, and sea-launched ANT and their subsequent issue to units.

### 3. Operational Readiness of Forces

The Community nuclear forces will have to be capable of performing their assigned missions at all times. Hence it will be necessary to so organize them that the maximum number of them are operationally ready. In particular, at least five of the missile-launching nuclear submarines should be at sea at all times. These submarines will continue to constitute the Community's most powerful strategic instrument for a long time to come. When the two submarines currently under construction or design in French naval shipyards become operational in 1985, the number of SNLE on sea patrol will rise to six. As a result, Europe will initially have 80 thermonuclear missiles operationally ready at all times. Subsequently this capability will reach 96 to 112 thermonuclear multiple-warhead missiles, or a total of 672 warheads. (5)

Air units of the Community strategic nuclear forces will have to be organized so that one-third of the Mirage and Vulcan bomber squadrons plus their supporting tanker aircraft are always on ground alert. As the resources of the strategic air force gradually increase, the number of aircraft capable of taking off on a few minutes notice will increase proportionately.

The same will be true for silo-based missile units to be activated later. These new units will reinforce those currently deployed in Haute Provence. They will be based on sites to be selected in subsequent studies by the defense council. These units will be equipped with mobile, multiple-warhead missiles to be discussed later.

The tactical nuclear forces will be reorganized once the 5-year plan goes into effect. The purpose of this reorganization will be to give these forces the capability of performing missions assigned them pursuant to the defense concept described earlier. The forces will consist of ground, air, and naval units deployed so as to be present wherever the vital interests of the Community demand.

It stands to reason that activation of these units must at no time and in no way impair the effectiveness of the defense system or the credibility of the nuclear



response. It will be up to commanders of the strategic ground, air, and naval forces to adapt the rate of their activation or reorganization to operational requirements. (6)

### Adaptation to Technological Changes

The SALT agreements are meant to slow the rate of new nuclear weapons development. Nevertheless, the next 10 years are likely to be marked by accelerated research and development of weapon systems that are more accurate, more powerful, and more difficult to neutralize. It is essential, therefore, that Europe, whose strategic forces are comparatively weaker than those of the USSR and United States of America, not fall behind but indeed adapt itself to any technological changes apt to occur. This requirement means that the following actions will have to be taken and completed during the 5-year plan:

#### 1. Strategic Weapons

##### a. Nuclear Warheads

The development of multiple thermonuclear reentry vehicles will have to be completed as rapidly as possible so that SNLE's can be armed with these weapons. Submarines currently equipped with Polaris missiles of American origin will have to be equipped with multiple-warhead missiles of European design. Indeed it would not be consistent with Community policy to rely on a foreign power for the equipment installed on the main component of its nuclear forces. (7) Research conducted by the British and French Atomic Energy Commissions on hardening and miniaturizing warheads will, therefore, be expedited, and nuclear weapons production facilities will be expanded so that this goal may be achieved by the end of the plan. Missiles deployed on the Albion Plateau will also be equipped with multiple reentry vehicles.

##### b. Delivery Systems

Current and announced research and development programs will have to be intensified to prevent Europe from letting the nuclear superpowers take a lead in this field.

(1) Studies on aircraft scheduled to replace the strategic air forces' Mirage 4 and Vulcan bombers by 1990 will be expedited to the maximum. Various possibilities will have to be considered: development of a supersonic aircraft with low-altitude penetration capabilities like the Soviet Backfire bomber, arming a subsonic aircraft--the Airbus, for example--with cruise missiles, etc.

(2) Mobile missiles (8) and cruise missiles could constitute the new generation of strategic missiles by the end of the century. Hence research on these missiles will be completed so that a final decision on their possible deployment may be made before the end of the first military 5-year plan.

(3) The range and penetration capability of missiles carried by SNLE's will be systematically increased.

Contrary to demonstrations attempting to prove that Europe's security will become questionable the moment so-called Soviet "Eurostrategic" missiles, the SS-20's in particular, are deployed in large numbers, Europe's nuclear forces will continue

to remain relatively invulnerable for a long time to come.<sup>(9)</sup> Technological advances making it possible to detect and neutralize submerged SNLE's will be slow in coming. Furthermore, missiles currently being deployed will not be accurate enough to effectively neutralize European silo-based missiles. It would, therefore, require a massive attack by enemy missiles to saturate existing installations. Considering the collateral damage it would inflict, such an act of aggression would amount to a major attack. It follows, therefore, that Europe will have the time to make the choices necessary to ensure its long-term strategic protection.

Nevertheless, Europe will still have to make a special research effort on the use of space technology for its defense. As has been repeatedly said, superpower rivalry in the 1990's will center on the possible military uses of space. Europe cannot afford to be absent from this competition without placing itself in serious jeopardy.

## 2. Tactical Weapons

Tactical land, air, and naval forces will continue to be systematically equipped with nuclear weapons. Technologies used will be those developed by France and Great Britain. Concurrently with the issuance of these weapons to European units, research on warheads and delivery systems will be intensified with a view to giving these weapons the necessary degree of accuracy and yield.

Particular attention will have to be given to enhanced radiation weapons because they would eventually play an important role in the defense of Europe.<sup>(10)</sup> In comparison with tactical nuclear weapons, these weapons have the advantage of not inflicting irreparable damage and of enabling a surprise attack to be checked at its very beginning. Enhanced radiation weapons will radically alter the basic facts of modern warfare for two reasons:

a. First, the defensive strength of countries capable of acquiring them will be increased tenfold. To date, in fact, it has been generally acknowledged that a powerful offensive launched basically by air and armored units could, provided these units were sufficiently concentrated, overwhelm a country's first lines of defense even when manned by a large number of troops. The introduction of N [neutron] bombs is liable to make such an offensive much riskier because of the threat they pose to the aggressor. These weapons will restore prestige to the art of defense.

b. Secondly, their simplicity of operation, their increasingly advanced miniaturization, and the absence of lasting nuclear contamination will rapidly make them the preferred battlefield weapons. Whereas tactical nuclear weapon employment appears difficult because of the relative magnitude of its collateral damage, the N-bomb will become as easy to handle as artillery shells or antitank missiles.<sup>(11)</sup>

Research on this type of weapon will have to be conducted with great care and be combined with a doctrinal study of their role and possible employment.

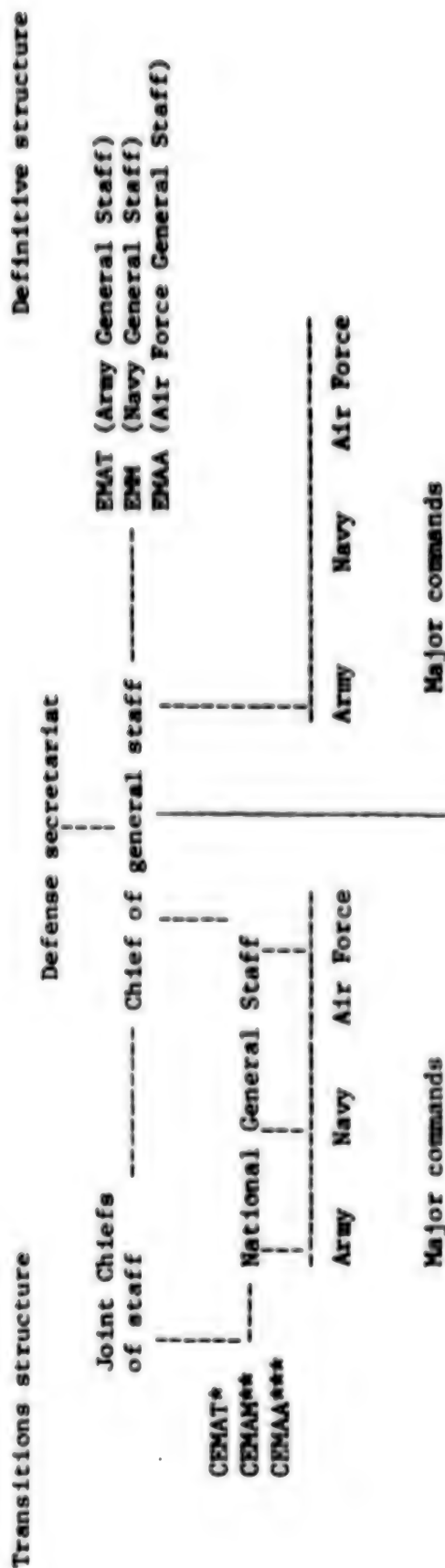
## Chapter 2. Structuring Europe's Military Forces

The European armed forces have substantial resources with which to perform their missions. These forces consist of highly varied elements and thus do not have the homogeneity absolutely necessary to provide a solid base for the defense of the Community. Although they have strong traditions nurtured by a past rich in heroic

TABLE 27

COMMUNITY'S MILITARY COMMANDS

These structures will be put in place during the military 5-year plan. The table below broadly outlines these structures



\* Army chief of staff

\*\* [not CEMA as published] Navy chief of staff

\*\*\* Air Force chief of staff

feats of arms, these cannot mitigate the present noticeable lack of unity in the forces.

Consequently the major task of the Community's first military plan will be to unify structures, reorganize commands, deploy necessary forces, standardize military instruction and training, coordinate armament research and the arms industry so that Europe can very rapidly have a defense instrument commensurate with its requirements. Because of the diversity of national situations, the construction of this system of conventional forces will be particularly difficult. It will clash with manifold psychological reservations the depth of which it would be dangerous to underestimate. This reconfiguration will have to be supported at all times by the political authority and explained to the people of Europe with the greatest possible clarity.

In any event, by the end of the plan, Europe will have to possess land, air, and naval forces forming a coherent military system. This basic objective will be achieved by unifying defense structures, organizing the military space, and coordinating the armament effort.

#### Unification of Defense Structures

The first task of the Community authorities will be to organize the progressive standardization of the defense systems peculiar to each of the Community's nine countries: composition and organization of units, command procedures, length and form of compulsory military service, military instruction and training, and reserves. Europe cannot have an effective defense system unless its armed forces are organized into a coherent entity with precisely defined missions.

1. The large [division level and higher] units of the Community's ground forces are organized differently in each of the nine European countries. Armored and mechanized divisions do not have the same number of brigades or regiments, or the same authorized personnel and equipment. Even though an effort has been made in NATO these past few years to reconcile the different existing structures, the present diversity of large units is not compatible with the constitution of a homogeneous defense system. This diversity is liable to make organization of the European military space difficult if not impossible. It will be incumbent upon appropriate Community agencies to propose, within no more than 1 year, a common structure for all operational large units.

This structure will be designed to reconcile the following key requirements as much as possible: rapid movement capability, firepower, and rapid transmission of orders from commanders to subordinate combat units. Generally speaking, every effort will be made to reduce personnel and increase combat effectiveness so that the Community's large ground units may acquire an operational capability equal to that of the forces facing them in Eastern Europe.

In connection with this effort, special attention will be given to the training of operational land, air, and naval units that today still do not have sufficient resources to conduct necessary training exercises.

#### 2. Unification of Command Procedures

Just as joint agencies will be established at armed forces level to coordinate the armies of the nine European countries, so also should command structures and pro-



cedures be standardized from the highest to the lowest echelon of the chain of command. Upon completion of the first plan, European armies will be governed by the same command methods and procedures at all operational levels.

The language problem quite obviously makes this task particularly difficult. Hence special studies will be made in an effort to determine what means of communication and issuance of orders are best suited to the requirements of the European armies. In view of the progress made in machine translation and accelerated language training methods, nothing is impossible in this field. Hence a policy should be established and implemented that enables the armed forces to surmount the obstacle of language diversity without thereby reducing the speed and efficiency of command and control functions.

### 3. Coordination of Military Instruction and Training

Implementation of the measures outlined above will be facilitated by standardizing military instruction and training in the nine Community countries. Officer and non-commissioned officer schools will progressively adapt their instruction and training to the realities of the newly-formed European armed forces. To achieve this goal as quickly as possible, a military training directorate will be established and assigned the task of preparing the program for effecting this coordination.

Advanced military education systems will be unified at the outset of the plan because the internal coherence of the European armies depends on the degree of common instruction and training attained by the nine Community countries. This will, therefore, be deemed a priority and its stated goal will be to engender military spirit and thinking specific to the Community general staffs. The core of the instruction given in institutions of advanced military education will be the overall defense concept defined earlier.

Upon completion of the first plan, service schools in all nine countries will have been reorganized to eliminate duplication. The location of these schools, their internal organization, and their curriculums will be determined through detailed studies by specialists from the nine countries of the European Community. These schools will be given the most modern teaching facilities and they will have to find an effective solution to the language problem mentioned above.

### 4. Standardization of Compulsory Military Service

At the present time, there are major differences among the countries with respect to the length and conditions of military service performed by draftees. Inasmuch as six of the nine countries have compulsory military service, such service will continue to be an essential element of the European defense system at least during the first plan. If, after that, and despite the lessons of the American experience with this problem, the issue of eliminating the draft should be raised, it will be examined at the highest level.

In the meantime, the length of this service will be standardized as quickly as possible so that draftees in the different countries are bound by the same rules. Subject to a more detailed analysis of this problem, the length of service in the armies and air forces will be 12 months, and in the navies 16 months. The actual transition from different national systems to a European system with its own

characteristics will be programmed to avoid dangerously upsetting the existing defense organization in the different countries. In any event, the transition will have to be completed by the end of the first plan.

#### 4. Reserves

Their importance to Europe's defense system is such that Community political and military authorities will have to establish a policy on this subject during the first year of the plan. Their strength, organization, wartime missions, geographical deployment and equipment will be the subject of special studies in each of the countries. The findings of these studies will be consolidated and analyzed so that a reorganization program consistent with Community needs may be proposed.

Considering the importance that will be attached to civil defense, viewed as a key element of deterrence, the participation of reserve forces in this mission will be clearly defined as quickly as possible.

#### Reconfiguration of Air and Ground Force Posture

The present disposition of Community ground forces is based on national political requirements or NATO internal organizational requirements that will no longer be consistent with actual conditions once Europe has its own armies and doctrine. The European military posture should thus be fully reviewed in the light of the principles defined in the preceding pages and the defense concept outlined earlier.

Air and ground forces will have the mission of conducting probing operations, covering Community borders, protecting vital political, population, and economic centers, ensuring the security of European strategic forces, and implementing contingency plans if and as necessary.

##### 1. Probing Operations

As previously indicated, such operations are an essential element of the strategy of deterrence because they serve to explore the enemy's real intentions. To enable them to perform their missions as effectively as possible, ground forces will be equipped with the most modern combat materiel. Armored and mechanized units are numerically the largest component of these forces. They will be so organized as to be able to move rapidly wherever necessary. Their firepower will be increased by widespread use of precision guided munitions. Their vertical obstacle clearance and water fording capabilities will have to be enhanced. Every effort will be made to give Community airborne forces maximum mobility and firepower. These basic goals will be incorporated in the technical specifications for the equipment to be issued to units and also in training programs for the different units in question.

##### 2. Covering Community Borders

Europe's defense begins at its borders, whether these be land or maritime borders. Any attempt to infringe directly or indirectly upon the integrity of the Community territory will trigger the powerful and immediate response described in the chapter on deterrence. In this connection, and because the "principal line" is located in Central Europe, special vigilance will be maintained in the eastern regions of the Federal Republic of Germany from the Baltic to Austria. This is actually the area

in which the greater part of the Warsaw Pact forces are concentrated and, as things now stand, it is, therefore, the site of the main axis of the potential threat.

### 3. Defense of the Community's Vital Centers

No matter how efficient and well-trained the ground forces may be, they are liable to be outflanked by a surprise attack. And it is logical to assume that in the event of a blitzkrieg, the enemy would give priority to attacking Community communications facilities and economic centers. Of all the world's great powers, Europe is the most exposed to this type of strategy. The security of vital political, population, and economic centers is, by this very fact, an absolute "must." Such security must be provided against acts of subversion in which the potential enemy is likely to engage on a very large scale. In such a situation, those ground and air forces not deployed in the immediate vicinity of the borders will obviously have to play an especially important role. These forces will have to be progressively reorganized so that no densely populated or highly industrialized region is unprotected. They will be supported by antiaircraft units, and if at all possible, by antimissile units. They will be equipped with armored vehicles and medium-range transport aircraft. With the paramilitary forces--Italian carabinieri, French gendarmes, and the British Home Guard--they will furnish cadres to the civil defense organization and also participate in its activities. The Community mobilization plan to be established and implemented will contain provisions for their rapid movement in the event of war.

### 3. Security of Strategic Forces

The credibility of the Community nuclear forces depends directly on the effectiveness of the system installed to protect them. In addition to their capability of responding to a first missile strike--a necessity as we saw earlier--the strategic forces will also have to be defended from commando operations or acts of subversion. All key centers of these forces--ports, air bases, missile silos, command centers, communications centers, lines of communication, test centers, specialized industrial centers, and research laboratories--will be placed under direct protection of Community ground and air forces. Because of the European territory's limited depth and hence the possibility that a potential enemy might launch surprise attacks against these centers, the most sophisticated warning and control systems will have to be installed, particular in regions near the eastern border where certain bases will be established. Protection of the strategic forces will be provided by ABM [Antiballistic missile] batteries, surface-to-air missiles, and commando units specifically trained for this purpose. This protection will be supplemented by territorial forces that will be reinforced in the key areas.

To perform these different missions, the ground forces will be divided into five army groups responsible for covering the European territory and conducting probing operations as necessary. Each of these army groups will be composed of units belonging to the nine Community countries.

a. The first and second army groups will be stationed in Central European theater opposite the two corridors along which Warsaw Pact forces could launch an offensive: the shores of the Baltic and Northern Germany on the one hand, and the Danube Valley on the other. They will, therefore, be assigned the mission of barring the tank and motorized rifle armies massed along the West German border from entering Community territory.

b. The third and fourth army groups will cover the Community territory facing west. Hence they will be deployed from Denmark to the Belgian border and serve as the ground defense forces of England and Ireland. They will consist mainly of motorized divisions supported by amphibious units trained and equipped for coastal defense, plus short- and medium-range missile units.

c. The fifth army group will have the mission of protecting the southern part of Europe. Its units will be deployed from the Roussillon [Eastern Pyrenees region of France] to Sicily and be supported by naval forces based in the Mediterranean. Existing forces in this area will necessarily have to be substantially reinforced because up to now Europe's Mediterranean coastal region has not been considered a threatened area of the territory.

As for the air forces, they will be deployed on European territory in such a way as to cover the entire space to be defended. Unlike the present deployment which makes air bases highly vulnerable by siting them very close to Eastern Europe, the actual disposition of air units will be organized so that aircraft of the tactical forces will have sufficient warning time. Community air forces will be organized into three air army groups.

a. The first group will cover Northern Europe from the Netherlands to the East German border and from the Skagge Rak to the Swiss border. It will thus be deployed opposite the Soviet 16th Air Army which comprises the bulk of the air forces stationed directly adjacent to Western Europe. This group will be equipped to give it the capability of intercepting aircraft assigned to the opposing forces and destroying tank concentrations. Its units will, therefore, consist essentially of interceptors, fighter bombers, and close air support aircraft armed with air-to-surface missiles.

b. The second air army group will cover Western Europe from Belgium to Southern France and from Scotland to the Swiss border. It will be equipped to have the capability of maintaining surveillance of the Community's maritime approaches and will, if necessary, be supported by naval air units of the European North Sea Fleet and Atlantic Fleet.

c. The third group will cover Southern Europe, in other words the Mediterranean and Adriatic littoral as well as the islands off the European coasts, Corsica, Sardinia, and Sicily in particular. It will have extensive warning and control facilities, installation of which will have to get under way at the very start of the 5-year plan so as to improve the defenses of the Community territory in this region.

#### Reconfiguration of the Naval and Naval Air Posture

The naval and naval air forces are particularly important because of the extent of the maritime areas and approaches to be defended, the necessity of keeping the continent's supply liner open at all times, and the large size of the merchant fleet to be protected. If war should break out, the naval forces like the ground combat forces deployed in immediate contact with the potential enemy, would bear the brunt of the enemy attack. But unlike the ground forces whose area of operations is relatively limited in space because it extends no more than 1,500 kilometers



in a straight line, the area of operations of the naval and naval air forces will extend from the Baltic to the Black Sea and cover three large maritime regions, namely the North Sea, Atlantic Ocean, and Mediterranean Sea.

Missions assigned to the Community naval and naval air forces will be of four categories: protection of the European approaches, defense of the Community's supply lines, covering the strategic naval forces, and participating in external intervention operations.

#### 1. Covering the Strategic Naval Forces

This mission involves protection of the naval component of the Community strategic nuclear forces. Although there is good reason to believe that missile-launching nuclear submarine (SNLE) will continue to be Europe's best instrument of protection for a long time to come because they are difficult to detect and have the ability to hide in the different seas of the world, progress that will be made sooner or later in detecting and attacking strategic submarines will demand special systems of protection. At any rate, this protection will definitely be necessary whenever SNLE's return to their home base to take on additional supplies. Because they are especially vulnerable during the whole period of approach to their base, they will have to be supported by all the conventional naval forces.

#### 2. Protection of European Approaches

The priority given by the Soviet Union and the United States to naval forces and the accelerated expansion of their amphibious forces show that naval action will be predominant in the event of a war.

While the expanse of its maritime area is indeed an important asset to the European Community, it does also have some major drawbacks in that Community ground defenses can be outflanked by a landing at one point or another of its territory. In this regard, it is important to remember that the seas wash Europe over the whole length of its territory and naturally constitute an easily exploitable avenue of penetration. Hence surveillance and defense of Europe's approaches will by definition be essential tasks. These tasks will be performed by all means available to the nine Community countries: surface combatant ships, submarines, and naval air forces. Naval units currently deployed geographically on the basis of strictly national requirements will be organized to block the most vulnerable potential axes of penetration. In this particular connection, the North Sea, North Atlantic, and especially the Mediterranean will have to be furnished facilities capable of protecting the continent's immediate approaches, facilities such as fixed or mobile radar networks in particular. The European territory's natural vulnerability and the need to hold the enemy as soon as he launches his naval offensive will compel the European Navy to provide itself with the most powerful means of interception. In addition to nuclear attack submarines, aircraft and helicopter carriers, and combatant warships armed with surface-to-surface and surface-to-air missiles, the navy will increase its air combat, bombing, and reconnaissance capabilities. To defend Europe's coasts, the Community naval forces will make judicious use of coastal minelayers and minehunters, maritime patrol ships, river gunboats, and guided missile patrol boats. These coastal defense forces will be supplemented by ground and air force units assigned to the defense of the Community's economic

regions and vital centers. Europe has the world's largest merchant fleet. This means that in a major conflict, this fleet could contribute effectively to the action of the military forces by transporting troops and essential equipment, and by moving large units from one territory to another. It is important, therefore, to establish in peacetime a plan for the rapid wartime mobilization of merchant ships.

### 3. Defense of European Supply Lines

The Community is almost totally dependent on other continents for raw materials, particularly the energy it needs to run its industrial plants and keep its military forces maneuverable and mobile. Its security and especially its capacity to conduct lengthy and extended operations require that the sea routes over which it receives indispensable basic commodities must remain open at all times. Consequently its naval forces will have to have the tactical means of accomplishing this mission plus support bases in both hemispheres. This naval presence will be one of the basic elements of the European strategy. In the future, this presence will have to be extended to all regions deemed vital to Europe, notably the South Atlantic and the Indian Ocean which command the Cape sea route. To accomplish this, it will be necessary to reorganize existing forces and deploy them in a more balanced way within the maritime areas in question. It will also be necessary to equip them with more powerful combatant ships such as carriers and nuclear attack submarines capable of intervening rapidly wherever necessary to maintain freedom of passage. Maintenance of an effective naval cover over European sea lanes will demand full command of space so that communications, control and surveillance of maritime areas can be provided in a satisfactory manner. This will require establishment of fixed stations for the reception and processing of information gathered by the European satellite network. Even if the Community does eventually conclude defense agreements with some foreign powers, it will still have to ensure that its naval forces are maintained in a state of operational readiness at all times. As a result, under no circumstance must the Community rely on anyone but itself to protect its sea lanes. The sacrifices it will have to make to accomplish this will be fully justified.

### 4. Participation In External Intervention Operations

Naval and naval air forces will be able to participate in the operations described in the chapter on external action. Their intervention will be commensurate with the attendant circumstances and necessities. Because of this, such intervention can assume a wide variety of forms.

European naval and naval air forces will be organized into the following three fleets:

a. North Sea Fleet. It will be responsible for protection of European territory from the English Channel to the Baltic and from the North Sea to Greenland. With their powerful combatant ships and aircraft plus their tactical nuclear weapons, this fleet's units will have the mission of supporting the two army groups protecting Northern and Central Europe. One of the Community's aircraft carriers will be made available for this support.

b. Atlantic Fleet. It will cover Community territory from Scotland to the Spanish border and maintain surveillance throughout the North Atlantic. Because missile-launching nuclear submarine bases are located within its geographical area, special forces and equipment will have to be assigned to this fleet so that it can perform its protection mission with maximum effectiveness.

c. Mediterranean Fleet. It will cover the entire Mediterranean basin from the Strait of Gibraltar to the Suez Canal. It will thus have to defend the Adriatic Sea and the Ionian Sea.

#### Reconfiguration of the Overseas Disposition of Forces

Of all the great powers having global responsibilities, Europe has the most territories outside its borders to defend. While the nine Community countries have no colonies, they still retain lands in all regions of the globe. These lands constitute major centers of interest in that they permit Europe to exercise its influence throughout the world and also constitute strong points for its security system. As soon as the first military plan is put into effect, the defense system of these territories will be organized into four principal commands.

a. Western Atlantic Command. With headquarters in the West Indies, it will cover the North Atlantic and be responsible for the defense of Saint Pierre and Miquelon, Bermuda, the French, British and Netherlands Antilles, and Guiana. The command will have powerful land, air, and naval forces.

b. South Atlantic Command. With headquarters in the Falkland Islands, it will cover the Antarctic, Ascension Island, Saint Helena, Tristan da Cunha, Gough Island, South Sandwich Islands, South Orkney Islands, and South Georgia. It will also have the special mission of maintaining surveillance and protection of the Cape sea route over which the bulk of the Community's oil supplies pass.

c. Indian Ocean Command. With headquarters on Mayotte, it will cover Reunion, Crozet Islands, Kerguelen Islands, Amsterdam Island, Saint Paul Island, Cargados Archipelago, Rodrigues Island, and the Chagos Archipelago. A large air and naval force will be permanently maintained in this region to ensure freedom of transit for ships from the Persian Gulf, Pacific, and Far East.

d. Pacific Command. With headquarters in the Society Islands, it will cover the Solomon Islands, New Caledonia, Loyalty Islands, Santa Cruz Islands, Fiji Islands, Tuvalu, Gilbert Islands, Washington Island, Fanning, Malden, Marquesas Islands, Tuamotu Archipelago, Tubuai Islands, Manoavera, Pitcairn Islands, and Clipperton. The primary mission of the forces stationed in this region will be to ensure the security of the Pacific Nuclear Test Center.

#### Reconfiguration of External Intervention Forces

On several occasions during the past few years, one or another of the nine European countries has intervened militarily in Africa or the Middle East to assist allied countries or take part in United Nations peacekeeping operations. Such was the case of Great Britain in Cyprus, Belgium in Zaire, and France in Lebanon, Chad, and Zaire. In every case, Europe's intervention contributed to maintaining or restoring peace in the troubled areas.

The Community will be called upon to exercise this international responsibility more frequently when it becomes a homogeneous political entity with worldwide influence. That is why its external action capability will depend, more than it does now, on the forces and equipment it is able to muster for the purpose of enforcing international law or fulfilling the commitments it will have made.

Hence the present external intervention forces in France and Great Britain will be expanded into a truly effective international-scale instrument. The missions assigned them will be formulated by the Community's highest political authorities. Generally speaking, however, these forces will be called upon to intervene wherever the interests of Europe and its allies are or might be threatened.

The forces in question will have to be able to move rapidly and be operational within a matter of hours. They will consist of air transportable armored and mechanized units equipped with modern materiel. They will include commando units trained to operate in the least favorable geographical areas. Because of such requirements, these forces will have to be in permanent communication with the European command centers located in the coordination headquarters. They must, therefore, have the most extensive communications facilities.

To clearly emphasize the community character of these forces, their officers, non-commissioned officers, and enlisted men will be drawn from each one of the nine Community countries. Exceptionally high standards of training will be required of these troops who will have the heavy task of commanding respect for European interests throughout the world. The intervention forces will be almost logistically self-sufficient. They will have their own transports, namely very long-range aircraft capable of operating within a 5,000 to 10,000 kilometer radius of the Community.

The external intervention forces will be called upon in three possible situations:

1. Whenever one of the Community's allies decides to invoke its defense agreements with Europe. In this case, the forces will operate in close cooperation with the requesting country's political and military authorities. They will not participate in internal police actions but contribute solely to defending the territory being attacked. Only the Community executive will be empowered to make any decision to intervene at this level, and this authority cannot be delegated. Yet to expedite possible intervention by these forces, contingency plans will be prepared jointly with each of the countries having defense agreements with the Community. A central agency will be created to develop these different plans.

2. Whenever one of the territories belonging to the Community is threatened directly or indirectly. In this case, intervention forces could reinforce units already based in the threatened territory and under the control of one of the Community's overseas command centers. These forces will thus be placed under the direct operational control of these commands and accomplish such missions or tasks as are assigned them on site.

3. Whenever so requested by international authorities. Europe cannot realistically dissociate itself from United Nations efforts to restore peace in troubled regions and to separate the combatants. Community intervention forces will be made avail-



able to the United Nations Secretary General as often as necessary. They will be under his operational control and perform the missions assigned them.

The intervention forces may also be called upon to reinforce Community air and ground forces. They will be trained, therefore, to operate in the European theater, particularly as a rapid reinforcement force. They will thus serve as a strategic reserve from which troops can be drawn at any time.

The external intervention forces will be divided into the following four main groups:

a. The first will be composed mainly of naval and naval air units capable of conducting amphibious operations in regions where Community maritime interests might be threatened. It will be based in Great Britain.

b. The second group will consist of armored and motorized units. Its mission will be to conduct long-range operations, in Africa notably. Its transport and communications equipment will enable it to deploy rapidly and maintain permanent communication with the Community. It will be stationed in southern France.

c. The third group will comprise lighter units capable of intervening very rapidly throughout the periphery of the Mediterranean basin. It will consist mainly of airborne units and will be based in Italy.

d. The fourth group will be formed of units drawn from the naval and naval air forces as required by circumstances.

#### Armament Effort

Even though Europe is one of the world's leading industrial powers and has a substantial research capability, the Community does not currently have the resources required to obtain the self-sufficiency it absolutely needs. The reason for this is the absence of coordination in these two fields between the nine Community countries. Consequently one of the goals the Community will set for itself during this first military plan will be to coordinate the military-related research and production effort without which Europe's defense would remain dangerously vulnerable.

##### 1. Research

At the plan's outset, officials in charge of military research in the nine countries will meet to establish a plan designed to achieve complete coordination of research facilities and programs. Test centers and laboratories will be opened to specialists of the nine countries so that the entire Community may benefit from the technical information and knowledge acquired in different defense-related fields. Special rules will be prescribed, however, for nuclear research in order to comply with international agreements on such activity.

The first research program will have to center on eight major areas in which technological breakthroughs are likely to be achieved in the next 5 years:

- a. Military electronics: development of a new generation of ultrahigh-capacity integrated circuits that will be needed for cruise missiles, satellites, underwater search radars, and communications.
- b. High-precision guided munitions technology: development of new guidance systems, electronic countermeasures, and penetration aids for short-, medium-, and long-range missiles as well as conventional munitions.
- c. Concentrated energy technology: expanded use of lasers and particle beams for military purposes, and development of weapons using highly concentrated energy.
- d. Chemical warfare defense: improvement of the following methods and procedures involved in taking defensive measures against possible attacks by chemical agents: detection, warning, decontamination, and medical care and treatment.
- e. Composite metals: development of conventional metals--aluminum, titanium--reinforced by fibers made of carbon, graphite, silicon, or other materials.
- f. Instruction and training techniques: development of simulators and other training aids for military personnel.

Research programs will be conducted on such different subjects as defense in outer space, cruise missile technology, antisubmarine warfare, ground combat, aircraft and air defense missiles, command, and communications.

## 2. Industry

At the present time, Europe's defense forces have too wide a range of equipment and weapons. In the event of war, this excessive diversity would create grave problems and considerably reduce the effectiveness of the European response. Community forces now field 27 types of combat aircraft, 8 types of main battle tanks, 22 types of antitank weapons, 36 types of radars, 8 types of surface-to-air missile systems, 20 different sizes of ammunition for weapons of less than 20-millimeter caliber. This situation cannot go on without seriously jeopardizing the Community defense system.

The effort made these past few years either in NATO--by the Conference of National Armaments Directors (CNAD)--or within the expanded European framework--by the Independent European Programs Group (IEPG) formed in 1976 by the Federal Republic of Germany, Great Britain, Belgium, Denmark, Greece, Italy, Luxembourg, Norway, Netherlands, Turkey, and France--will be systematically increased so as to obtain European arms standardization within the framework of the 5-year plan.

It should be noted that many major items of equipment have already been produced as cooperative projects by European countries and that this equipment meets requirements in an unusually satisfactory manner. These projects include the following: Milan, HOT, and Roland missile systems produced jointly by the FRG and France; RATAAC [Field Artillery Fire Control Radar] by the FRG and France; Martel missile system by Great Britain and France; Jaguar strike fighter by France and Great Britain; Lynx and Gazelle helicopters by France and Great Britain; Tornado aircraft by Great Britain, Italy, FRG, Belgium, and the Netherlands; Alpha Jet aircraft by

the FRG and France; mine hunter ships by Belgium, France, and the Netherlands; and the Leopard main battle tank by the FRG and Italy.

The magnitude and diversity of the cooperative arms programs demonstrate that, contrary to widely-held opinion, European armament standardization is not impossible. Hence it will be up to the Community executive to organize such standardization systematically without, however, thereby interfering with the industries of the nine member countries or violating the liberal principle on which the European economy is founded.

### Chapter 3. Remodeling Alliances

Having become a major political power invested with all the attributes of national sovereignty and possessing an independent defense system, Europe will have to re-examine the alliances and defense agreements its nine member countries have collectively or individually concluded in the past. These alliances and agreements are destined to play an important role in the defense system Europe is preparing to install.

No matter what commitments the Community may make in the future, the Community will have to make sure that the autonomy postulated above as a principle is respected; accordingly a number of agreements made in the past under the pressure of events will have to be reexamined as soon as the first 5-year military plan becomes effective. Foremost among these agreements are the treaties establishing the Atlantic Alliance, treaties on which Europe's security has rested to date.

At no time, however, must Community political and military authorities sacrifice the immediate defense of European territory. This means the agreements must not be reviewed in hasty or jumbled fashion but subjected to thorough and careful analysis while avoiding any action likely to weaken Europe's position during a highly critical period of its history.

#### Atlantic Alliance and NATO

The treaties instituting the Atlantic Alliance and its military offshoot, NATO, were signed in 1949 at a time when Europe was just beginning to rise from its ruins and felt threatened by the aggressive expansion of international communism. These treaties established a powerful defense system that has protected Western Europe from any aggression during the past 30 years. Europeans must realize that it is because of the assistance furnished by the United States that they have been able to weather one of history's most turbulent eras without mishap.

On several occasions, however, and particularly when France began building its own nuclear deterrent force, it became apparent that the system established 4 years after the end of World War II no longer correctly met Europe's needs. The United States, the Alliance's leading power, was aware of this because, as early as 1960, President John F. Kennedy was suggesting gradual establishment of two pillars within NATO, one American and the other European, and thus obtain a more equitable sharing of responsibilities and authority.

Current events, along with the emergence of a structure's Community having its own comprehensive defense system, have modified the basic facts surrounding the problem. Europe cannot, in fact, allow its security to depend on decisions made in chambers or forums in which it does not have total freedom of decision. In the very near future, therefore, it will have to restudy with its allies the terms and conditions of its commitments. Subject to the specific negotiations that will settle this problem, Community policy will generally focus on the following two objectives: modification of the Atlantic Alliance and dissolution of NATO.

## 1. Modification of the Atlantic Alliance

The North Atlantic Treaty is an alliance of 19 [as published] countries with similar ideals and the same type of political organization. It forms a strong bond of solidarity between North America and Western Europe. In this respect, it remains a reality even though the conditions of its application have changed Europe's emergence as a structured entity with its own resources will not breach the treaty insofar as it in no way severs the Community's affiliation with the Western economic and political system. The Atlantic Alliance is a necessity insofar as it establishes a powerful bond of solidarity between countries having similar structures, similar political ideals, and a number of common economic interests.

At best, it is appropriate, therefore, to insert into the Atlantic Treaty the notion of European Community, a notion now absent from that treaty, and clearly state that henceforth the Alliance will comprise two principal poles, namely the United States of America and the European Community. This modification will have to be accompanied by recognition of the principle of the equality of the two pillars, and consequently recognition of the need to adapt the Alliance's structures to this new balance.

In view of the fact that the principal military threat Europe might have to face comes from the East and will continue to come from there for an indefinite period, it is essential that this modification of the Atlantic Treaty formally confirm the mutual obligations assumed in 1949. It is essential, in fact, that members of the Community not be mistaken about the reality of the bond that will continue to unite both sides of the Atlantic.

## 2. Dissolution of NATO

On the other hand, the North Atlantic Treaty's political and military organization will no longer correspond to circumstances. Designed for a situation in which Europe was incapable of defending itself, that organization will not be able to adapt itself to the change effected by formation of the European Community and creation of a European defense system provided with all of the nuclear and conventional means of defense. The NATO military organization was actually established for the purpose of coordinating the armies of the Alliance's member countries. Once these armies are integrated into a single system, that organization will no longer have any reason for existing.

That is why as soon as the 5-year plan becomes effective, Community political authorities will enter into negotiations with the United States, negotiations that must culminate in the pure and simple dissolution of this organization. These negotiations will be conducted with sufficient dispatch to enable the Community to acquire its indispensable decision-making autonomy as soon as possible. The negotiations will have to resolve the multiple problems posed by transition from a predominantly American command system to a strictly European command system.



Conditions and working procedures for these negotiations will be drawn up at the defense council's first meeting following adoption of the military plan. These conditions and procedures will have to provide for completion of the process within a period of 5 years while avoiding any measure that would reduce the European territory's protection to an unreasonable level. Withdrawal of the American and Canadian troops stationed on Community soil will, to the maximum extent possible, be gradual and commensurate with strategic necessities. This withdrawal will be the subject of a specific agreement between Community political authorities and the Government of the United States.

Specific defense agreements will be concluded with those European countries that are not yet members of the Community--Greece, Turkey, Portugal, and Spain--so that they can benefit from the protection provided by the European forces. Once the military plan is in effect, governments of the countries in question will be informed through official channels of the Community's intentions in this regard.

A mutual defense agreement will be offered to the U.S. Government in order to provide for rapid and effective coordination between the two sides of the Atlantic in the event of war. This agreement will be negotiated on a bilateral level and include provisions enabling the two powers to assist each other whenever either one of them is the victim of aggression. Military officials of both countries will be assigned the task of formulating detailed practical applications of the various operational military aspects of this agreement.

#### Extra-European Defense Agreements

There are currently numerous defense agreements between countries of the Community and countries situated outside the European territory, notably those countries belonging to the British Commonwealth and the former French Community. Most of these bilateral agreements replaced the subservient ties which bound the colonies to their mother countries during the colonial era. These agreements complement important political, economic, and cultural agreements that constitute a vital heritage for the Community.

It is indeed proper for the Community to maintain close relations with those extra-European countries to which it is bound by historical ties, very old ties in some cases. The Community should maintain such ties, first of all, in its own interest, given the vital importance of its foreign trade and its resupply of basic commodities. It should also maintain them especially for its allies to whom it furnishes aid that is often crucial.

When the plan becomes effective, it will be announced in the most official manner that all defense agreements between each of the Community countries and any nation outside the European space will be automatically transferred to the Community. In so doing, European political authorities will guarantee all previously made commitments.

Such will be the case particularly with those military assistance agreements concluded over the past few years between certain countries of Africa or the Middle East and the European powers, agreements that have actually been implemented in the field. The Community will assume responsibility for jointly-established defense plans and fulfill the obligations undertaken in these plans.

This principle having been established, it will then behoove Community political authorities to negotiate revisions of all defense agreements so as to adapt them to its own interests and any changes in the situation within the area in question. Likewise, the European executive should examine, as appropriate, the extension of these defense agreements to other countries or other regions of the world.

In choosing the latter, the Community will be guided by the importance of the strategic stake the countries or areas being considered represent. It is quite obvious that the Community will have to pay very special attention to raw-materials or energy producing countries that contribute or could contribute determinatively to the resupply of its industry. In fact, Europe's adversaries will probably endeavor in the future to weaken it by exerting indirect pressure on its traditional supply lines rather than by direct confrontation.

The Community foreign policy on defense agreements will be backed by two essential elements:

#### 1. External Intervention Forces

These forces will be maintained in a special degree of readiness at all times. With their powerful organic combat and transportation equipment, these alert forces will be capable of conducting very long-range operations. As indicated earlier, action will be taken, as soon as the 5-year plan becomes effective, to augment these forces and give them the capability of handling situations likely to arise at any point in the world. Any country with which the Community has a defense agreement will be able to request support from the intervention forces and know that this support will be given them as rapidly as possible and as powerfully as necessary.

#### 2. Community Possessions Throughout the World

Europe maintains a presence in all regions of the world through its overseas departments and territories. Each one of these possessions constitutes a strongpoint capable of directly or indirectly participating in the defense of the Community. Consequently the most important of them will have to be provided very rapidly with the material resources enabling them to perform their missions as effectively as possible: fuel storage tanks, spare parts and ammunition stockpiles, logistical installations, communications facilities, and command centers.

Each of the four overseas commands to be established pursuant to the plan will be assigned sufficient defense forces and equipment to give them an operational capability commensurate with foreseeable requirements. This will be especially true for such trouble spots as the Indian Ocean where the United States and the USSR are steadily building up their air and naval forces. This strongpoint reinforcement policy will be complemented by employment of floating bases that are less expensive and easier to defend than traditional bases.

By the end of the plan, Europe must have a chain of strongpoints spread all over the globe, thus giving its intervention forces the staging areas needed for their operations, no matter how distant those operations may be.

During the plan's entire implementation period, special attention will be given to the problem of very long-range communications enabling overseas command centers to maintain liaison at all times with European political and military authorities. Establishment of a communications satellite network will be an important element of this global-scale defense system.

#### Participation in Major Negotiations

Because the Community has not had sufficient political power until now, it has remained aloof from certain international negotiations that are nevertheless of primary concern to it. It has largely relied on the United States to represent its interests in such negotiations, notably those on the issue of strategic arms limitation. This situation cannot continue once Europe constitutes a Community invested with all the attributes of sovereignty and possessing military force powerful enough to command respect for its interests.

Once the plan is adopted, Community political authorities must let it be known in the most official manner that they do not intend to be represented by anybody in the future and will henceforth consider themselves committed solely by agreements they themselves have signed. This principle will hold good for all current high-level East-West negotiations on military problems.

##### 1. Strategic Arms Limitation Talks (SALT)

The SALT I and SALT II agreements that establish a bilateral strategic balance between the USSR and the United States do not involve the Community. If the issue of a three-party SALT III agreement were to be raised in the future, Europe could agree to sit at the negotiating table only as a power with total freedom to act of its own accord. Consequently at no time could it rely on an intermediary or other party to represent it. This same principle would apply to all future negotiations on theater nuclear weapons.

##### 2. Mutual and Balanced Force Reductions (MBFR)

These negotiations were begun directly between the USSR and the United States in an effort to reduce tension between their military forces stationed on European territory. It is evident that these negotiations will lose part of their justification the moment Europe forms a Community having its own defense system. If subsequently the USSR were to inform the Community it wished to initiate a balanced reduction of forces in Europe, European political authorities would study the problem from this new angle.

##### 3. Disarmament Negotiations

The Community will announce that it attaches great value to any effort made to achieve balanced disarmament between the world's leading powers; accordingly it will reaffirm the major principles governing its diplomatic policy, namely to secure peace everywhere in the world and permit mankind to progress in undisturbed fashion. Having said this, Community representatives will have to make it known that it will not accept just any kind of measure to draw nearer to this ideal, and that in particular it will make no sacrifice relative to armaments unless its

sacrifice is accompanied by one of equal importance made by the other major powers. Such a unilateral sacrifice might dangerously weaken the protective shield the Community has forged for itself.

#### 4. Negotiations on the Use of Outer Space

Over and over again, experts have stressed how important control of space will be to Europe in the next 10 years. It follows that the Community will have to take an active part in all negotiations on the military uses of outer space. Hence it should insert itself into the present dialog on this subject between the USA and the USSR. Here also, Community representatives must not agree to any unilateral measure and must see to it that, under any and all circumstances, Europe's own interests and the security of its territory respected.

In all present and future negotiations, Europe will have to prove that it has become a major political power. This task will be difficult in the first few months following Europe's emergence on the international scene as a structured political entity. Its officials will have a key role to play in convincing other major powers to recognize it as an equal. Europe's eventual increased participation in world affairs will depend to a great extent on their ability to substantiate Europe's existence as a major power.

#### Chapter 4. Adjusting Expenditures to Necessities

The program outlined herein would not be complete if it did not contain an analysis of its financial feasibility. Because the Community's economic means are not unlimited and because a nation's policy is necessarily based on an overall balance between its resources and expenditures, it is essential, in the final analysis, to consider what resources Europe could or should allocate to its defense effort during the 5 years covered by the plan described herein.

It is not our purpose at this point to offer a strict military analysis but merely to outline the problem. Actually only the competent government agencies would be in a position to make such a detailed analysis which is a complex task and requires an appropriate methodology. Consequently the figures given on the following pages are only meant to show orders of magnitude.

The method used to bring out these few basic facts consisted in taking the overall 1979 military budgets of each of the nine Community countries, consolidating them, and then projecting this grand total, adjusted to reflect an annual 10 percent depreciation rate, over a 5-year period. The results thus obtained represent the Community's overall financial capacity for the entire span of the first military plan. This capacity was then broken down by major appropriation title derived according to the French military budget. France is, in fact, the only Community country possessing the full spectrum of military forces and facilities needed to ensure the security of a large modern country: strategic and tactical nuclear forces, test and research facilities, and strategic command centers. The structure of France's military expenditures, therefore, sufficiently approximates the structure the first Community defense budgets will have.



## Structure of Military Expenditures

The 1979 military budget of the nine Community member countries totaled 303.5 billion francs. Without significantly modifying this funding ceiling, the Community will allocate, in current francs, 1.841 trillion francs to its defense during the 5 years of the first military plan. The breakdown of this sum will be as follows:

### a. By major appropriation title

	<u>in %</u>	<u>Annual budget</u> (in billions)	<u>5-year plan</u>
Operating expenditures	55	166.9	1.0125 trillion
Capital expenditures	45	136.6	828.5 billion
Total	100	303.5	1.841 trillion

### b. By major functions

	<u>in %</u>	<u>Annual budget</u> (in billions)	<u>5-year plan</u> (in billions)
Pay and allowances	36.8	111.6	677.4
Administration and maintenance	12.6	38.2	231.9
Operational activities & supplies	14.5	44	266.9
Research and development	13	39.4	239.3
Production	18.8	57	346.1
Infrastructure	4.3	13	79.1
Total	100	303.5*	1.841 trillion*

\*Total is less because of elimination of second decimal place.

The Community will allocate 45 percent of its budget to capital expenditures: 828.5 billion francs out of a total budget of 1.841 trillion francs for the entire plan. The bulk of capital spending for the 5 years will be earmarked for research and development--239.3 billion francs or 13 percent of the total budget--and production--346.1 billion francs or 18.8 percent--while infrastructure outlays of 79.1 billion francs will absorb 4.3 percent of the total budget. These figures clearly show that the Community will have the capital investment capacity required to carry out the program described earlier.

Following is the breakdown of the Eduropean defense budget from the standpoint of the forces themselves:

### a. By major appropriation title

	<u>in %</u>	<u>Annual appropriations</u> (in billions)	<u>Appropriations for 5 years</u>
Forces	73.4	222.7	1.3512 trillion
Services	26.6	80.7	489.7 billion
Total	100	303.5	1.841 trillion

b. By activities

	<u>in %</u>	<u>Annual appropriations (in billions)</u>	<u>Appropriations for 5 years (in billions)</u>
Strategic and tactical Nuclear forces	19.2	58.2	353.4
Conventional forces			
Army	19.1	57.9	351.6
Air Force	12.3	37.3	226.4
Navy	11.9	36.1	219
Gendarmerie	8.2	24.8	150
Overseas forces	2.7	8.1	49.7
Research and testing	4.3	13	79.1
Training organizations	8.5	25.7	156.4
Personnel support	5.9	17.9	108.6
Equipment support	4.3	13	79.1
General administration	3.6	10.9	66.2
Total	100	303.5*	1.841 trillion*

\* Total is less because of elimination of second decimal place.

As shown above, the Community will allocate the major part of its military funding to the forces proper: a 5-year total of 1.3512 trillion francs or 73.4 percent. The principal items in this forces budget are as follows:

a. Strategic and tactical nuclear forces: 19.2 percent for a 5-year total of 353.4 billion francs. Approximately 84 percent of this sum will be for capital expenditures. It should be noted, for purposes of comparison, that in 1979 France allocated capital expenditures of 10.2 billion francs for its strategic nuclear forces and 1.2 billion francs for its tactical nuclear forces, or a total of 11.4 billion francs compared with the 48.8 billion francs the Community will earmark for similar expenditures in its first annual budget.

b. Conventional land, air, and naval forces: 51.5 percent for a 5-year total of 941 billion francs (paramilitary forces included).

c. Overseas forces: 2.7 percent for a 5-year total of 49.7 billion francs.

d. Research and testing: 4.3 percent for a total of 79.1 billion francs. To better grasp the significance of this figure, it should be noted that in 1979 France allocated 3 billion francs to research and testing, 1.9 billion of which was for capital expenditures. In its first military budget, the Community will earmark 13 billion francs for research and testing.

The following approximate cost of major modern weapon systems will give the reader an idea of the orders of magnitude involved:

- a. Missile-launching nuclear submarine of the Le Redoutable class: 10.5 billion francs; American new generation missile-launching nuclear submarine: 21 billion francs.
- b. Tactical missile with a 1KT nuclear warhead: 294,000 francs. In 1976, the Los Alamos Scientific Laboratory calculated that to equip NATO with 3,600 tactical nuclear missiles, the cost of the complete package (vehicles, delivery systems, warheads, and computers)--would come to 1.5 billion francs. (Source: "For a New Arms Strategy: The Los Alamos Project," REVUE DE DEFENSE NATIONALE, October 1976).
- c. F-14 and F-15 type aircraft: 294 million francs.
- d. Destroyer (with AEGIS system): 3.4 billion francs.
- e. Aircraft carrier: 6.7 billion francs.

#### Adaptation of Forces

To grasp what adaptation effort will be required to give European forces the capability of performing the missions assigned them earlier in this study, we shall compare their structures with those of the forces of the two other major nuclear powers, the United States and the USSR.

##### a. Personnel

<u>Service</u>	<u>Europe</u>	<u>U.S.A.</u>	<u>USSR</u>
Army	1,251,324	750,800	1,825,000
Navy	270,129	524,200	433,000
Air Force	411,921	563,000	475,000
Total	1,938,347	2,022,000	3,658,000

##### Remarks

European forces have less manpower than the Soviet forces but the difference is not considerable, especially when one considers the extent of the territories to be defended.

##### b. Equipment

<u>Service</u>	<u>Europe</u>	<u>U.S.A.</u>	<u>USSR</u>	<u>Remarks</u>
Strategic Forces				
ICBM's	18	1,054	2,108	Considerable superiority of U.S.A. and USSR.
Bombers	97	773	850	
Ballistic Missile submarines	9	41	90	
	+ 2 under construction	62		

## Conventional Forces

### a. Army

<u>Service</u>	<u>Europe</u>	<u>U.S.A.</u>	<u>USSR</u>	<u>Remarks</u>
Battle tanks	10,647	10,500	50,000	Large USSR superiority, but less than half of this equipment is opposite Europe.
Personnel carriers & armored vehicles	22,500	22,000	55,000	
Helicopters	2,219	8,500	---	

### b. Navy

Carriers	5	13	4	Superiority of Soviet and American forces.
Submarines	94 (including 10 attack subs)	80 (including 70 attack subs)	248 (including 40 attack subs)	
Ship-borne aircraft	225	1,100	870	
Helicopters	458	102	275	

### d. Air Force

Combat aircraft	2,257	3,400	4,350	Superiority of USSR.
Transport aircraft	439	535	1,200	
Helicopters	411	210	3,460	

### Comment on Above Figures

1. The Community's air and land forces are certainly not on a par with the Soviet forces, but the strategic imbalance is not considerable on the tactical level when one considers their staging and stationing needs. The modernization of these forces ensuing from unification of the European armed forces will contribute significantly to narrowing the gap. In any event, the air and land forces are so constituted that they will be able to carry out the probing operations described in the chapter on nuclear deterrence. The effort required to have them attain parity with the potential enemy's forces is beyond the Community's means; accordingly it will be vitally necessary to make every effort, by scaled economizing, to make the best possible use of these forces according to the defense concept outlined earlier.

2. Considering the broad range of missions the Community naval forces will have to perform, particularly in supporting Europe's external interventions, a large financial effort will have to be made in their behalf. They are clearly inferior to the



naval forces of the two superpowers. Moreover, they are the ones that will be called upon to provide the main component of the Community's external action capability. Consequently during the first military plan they will be allotted sufficient funds to increase their number of aircraft and nuclear attack submarines to a reasonable level. As shown earlier, these naval aircraft and attack submarines will play an important part in the Community strategy.

3. During the entire span of the first military plan, priority will also be given to strengthening the strategic nuclear forces. Without allowing Europe to position itself completely within a "strong versus strong" system of deterrence, the employment of such enhanced strategic forces will serve to establish European deterrence on solid foundations. By arming strategic weapon systems with multiple reentry vehicles, the present strategic nuclear forces will represent a strike capability of at least 250 operational nuclear warheads, in other words the capacity to destroy some 100 targets.

Subject to the detailed studies that would be required to determine the Community military budget's definitive structures, our summary analysis given above indicates that the funds the Community could or should allocate to its defense in the future would not be greater than current expenditures. Rationalization of the defense effort and the resultant scaled economies will seemingly permit implementation of a military policy consistent with the requirements defined throughout this study.

## FOOTNOTES

### Part 3

1. Incorporated into the American strategic doctrine by Robert McNamara in the early 1960's, the counterforce strategy was later refined and implemented by James Schlesinger. It is, therefore, officially part of the strategic doctrine of the United States.
2. Tactical nuclear weapons (ANT) actually have a dual function. First of all, they are deterrent weapons designed to restrain a possible enemy. They are also a battlefield weapon. There is an increasingly pronounced trend in the American strategic concept to emphasize the second function.
3. The reader is referred to the statements and writings of James Schlesinger, Robert McNamara, and Henry Kissinger.
4. The enemy could give preference to this type of action as part of a strategy designed to use North-South tensions to brandish a new threat against Europe.
5. It should be noted here that both countries are now already covered by the Community defense system in that they are soon scheduled to be integrated into the European Economic Community. Moreover, both are members of the Atlantic Alliance. Greece, however, no longer participates in NATO [as published].
6. The underground headquarters from which NATO could direct combat operations in Europe is itself accurately targeted by the Soviets and is one of the priority targets of SS missiles deployed some 1,000 kilometers away.
7. This idea was recently set forth by Samuel T. Cohen, an American, and Marc Geneste, a Frenchman, in their book "Echec a La Guerre" [Checkmating War]. The authors consider this barrier to be the only effective answer to the Soviet threat in Central Europe.
8. It should be noted, however, that the territory's narrowness precludes the Community, even when equipped with a space-borne detection and warning system, from deriving real benefit from the warning time thus obtained. The system described herein is, therefore, essentially an observation system which does not give European forces an "additional reach." An SS-20 missile would not take more than 5 minutes to reach its target.
9. The number and diversity of the territories belonging to the Community and scattered throughout the world will without any doubt give European authorities ways and means of continuing their action from external redoubts.
10. There are reportedly 800 of these strategic diversionary groups, each consisting of 25 to 50 men. They are trained to perform acts of sabotage and conduct psychological operations. Some 150 of them are said to have received special training for operations in France where their mission would be to infiltrate behind our lines by parachute, helicopter, or after being set ashore by submarine.

11. It should be noted that the "Extensia 79" maneuver emphasized civilian-military coordination in such matters. Some 17,000 troops participated in this field exercise directed by General De Boisfleury on 21-22 April 1979. The French general staff is devoting more and more attention to the possibility of diversionary attacks or operations aimed at "seizing bargaining-chip or hostage territory" for the purpose of acquiring maneuvering room, forcibly installing a second echelon thereon and then negotiating its withdrawal by submitting other demands.
12. The Cuban missile crisis which nearly led to war between the United States of America and the USSR in the early 1960's could very well repeat itself, but this time against Europe. Such a contingency, as experience has shown, requires especially delicate handling of the crisis by the power being attacked.
13. As for the USSR, the support operations conducted by the Soviet general staff during the Eritrean War between Ethiopia and Somalia demonstrated a substantial very long-range intervention capability and notably in transporting heavy equipment.
14. This encirclement strategy is known to be a centerpiece of Soviet doctrine ever since that doctrine was formulated by Lenin even before the communists seized power in Russia.
15. These stationing areas are not necessarily bases in the traditional sense of the term. Modern fleets are no longer subject to the limitations of the past. On the other hand, they do need broad stretches of water where they can find shelter, such as the island of Mayotte in the Indian Ocean for France and the island of Diego Garcia for the United States where the naval facilities are relatively rudimentary.
16. This form of assistance is precisely the one the United States furnished Western Europe shortly after World War II. Subsequent events have shown to what extent it was essential.
17. For example, a major-power like the United States of America has determined that 50.4 billion francs is the value of the strategic stockpiles "capable of meeting defense requirements for the first 3 years of a major war and the basic economic needs for maintaining the health, welfare, morale, and productivity of civilians in wartime" (Pentagon definition).
18. The major powers have bound themselves by treaty to refrain from producing or storing biological weapons. The Community will subsequently have to define its policy. The gravity of the threat a country's possession of such aggressive weapons could pose to the Community compel it to take precautions against these weapons.
19. Appendix 3 [not included for translation] lists the world's principal military research and test programs.

#### Part 4

1. The strategic forces command center will initially be established in Paris because of the existence there of smooth-running and well-protected command support facilities. European political authorities will subsequently have to choose its permanent site.
2. As emphasized above, this widespread field display of Europe's nuclear capability is not prompted by any technical or operational requirements but by the twofold desire to mark the extension of nuclear protection to the entire European territory and to have the different member countries of the Community equitably share in all risks.
3. It should be noted, however, that in an emergency the warning time available to European strategic forces would be no more than 3 or 4 minutes, a situation that makes fixed strategic weapon systems highly vulnerable and missile-launching nuclear submarines vitally important.
4. The number and yield of nuclear weapons required to provide the deterrence described in Part 3 of this study will be determined by appropriate Community agencies. As the situation now stands, it is believed that to be effective, a threat would have to cover 25 percent of the population and 5 percent of the USSR's vital economic centers. The goal to be achieved by the end of the plan would, therefore, be set at that level of destruction.
5. Regardless of the desire of Community authorities to achieve as rapidly as possible a "strong versus strong" system of deterrence that should be the culmination of the evolution proposed herein, the initial period of 5 years will not be sufficient to achieve such a goal. Under these conditions, and given the length of time required to build the SNLE's, the optimum number of nuclear submarines should be fixed at the very start of the first military plan.
6. Problems raised by the shuffling and amalgamation of commands and command personnel will have to be given special study and attention. Indeed, the consolidation of national armed forces into a single defense system will depend on the smooth resolution of these problems.
7. France is the only Community country to have conducted extensive research in this field. The technologies it has thus developed are its very own. Great Britain, on the other hand, has relied on the United States of America to adapt British strategic forces to technological breakthroughs.
8. Technical constraints on deployment of the mobile missile will have to be very carefully analyzed, particularly with regard to the amount of space required to enable this type of missile to be truly mobile. The current controversy on this point in the United States shows that solving this problem is a most difficult matter.
9. See J. B. Margeride's article, "Basic Principles of the Counterforce Strategy," STRATEGIE, 1st quarter 1979.



10. These weapons are also called "neutron bombs." But they are actually a family of weapons ranging from artillery shells to mines. They are essentially battle-field weapons that can be used by units of all sizes, and both defensively and offensively. Their average yield of 1 kiloton does not rank them among the nuclear arsenal's powerful weapons. This 1-kiloton punch is combined, however, with the formidable characteristic of acting mainly by radiation, a fact that not only makes them dangerous to the enemy but also extremely manageable. Unlike tactical nuclear weapons, they do not destroy by blast or heat effects but by neutron radiation. Furthermore, this radiation dissipates quickly, thus permitting troops to occupy the area almost immediately after the weapon has detonated. A surface burst of two of these weapons can neutralize an area of 6.2 square kilometers. To fully grasp the significance of this effect, it must be recalled that obtaining the same result with conventional weapons would require 30,000 to 60,000 artillery rounds, in other words, the firepower of 150 armored divisions firing simultaneously on a 3-kilometer front. It should also be added that after such a massive artillery barrage, there would be no enemy equipment, buildings, bridges, or other man-made structures left standing in the target area, whereas the N-bomb causes no appreciable material damage.
11. On this point, the reader is referred to the writings of Marc Geneste, a Frenchman, and Samuel T. Cohen, an American, who are the principal theoreticians of this type of weapon (see bibliography at Appendix 6 [not included for translation]).

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## STRATEGIC CONCEPTS IN NATIONAL MILITARY DEFENSE POLICY

Lisbon NACAO E DEFESA in Portuguese Jul-Sep 80 pp 105-117

[Article by Capt Virgílio de Carvalho: "Contribution for a Portuguese Military Defense Philosophy"]

[Text] Even in a legitimately established society, the necessary interrelation of political, geostrategic, social, technological and economic factors make the question of military defense so complex that not even the most advanced techniques applied in computerized models have been capable of providing suitable responses. Recently, the problem became even more complicated because of the uncertainty of the energy future. In a country such as ours, where in addition there are worrisome economic concerns, where some symptoms of the psychological wear and tear which traditionally result from wars such as the one we waged in Africa exist, and where the road to be traveled to arrive at the type of relationship which must exist in a western democratic society between the so-called political power and military power is going to be traveled in a climate not completely free of sensitive areas, the difficulties in dealing with a subject such as military defense increase. However, it seems that it is now time for the military to give an opinion of what they think the military defense of the country could be.

National defense and, therefore, military defense, presuppose the clear motivation of the population of a country to defend itself. Without that ingredient, defense runs the risk of collapsing quickly in time of grave crisis. For that very reason, the mere existence of armed forces should mean the actual will of a society to defend itself. That mere existence and its meaning, for that very reason, have their influence in international relations as components of the total strength of a country.

The difficulties in overcoming skepticism and indifference and in awakening the will to defend itself in a society begin with the much debated question of what constitutes a threat. The fact is that civilian society has in principle a natural propensity to believe less in threats than does the military society. The latter, because of reasons of its own professional training, will have a greater inclination to bring them to mind, which sometimes is taken as being aimed mainly at making the pointer on the old guns and butter scales move in its direction. Lively arguments, which conclude by creating a certain perplexity among large segments of the population, result naturally from that situation. Indeed, what may, or should, the average British citizen think upon seeing the

aircraft carrier "Ark Royal" being scrapped without ever having to engage in combat? On the other hand, what could a North American or one of his European allies think of the policy initiated by the civilians in the Nixon-Kissinger Administration, which because it favored butter too much to appease domestic sensibilities, allowed the nuclear and conventional power of his country to decline to such a level that it carried it and the West to the lowest foreign and domestic policy credibility of recent times? And what can one think of the tragedy of Lebanon where a lack of military power compatible with domestic vulnerabilities and the strategic importance of the region led to arguments for the installation of foreign military forces and related organizations in its own territory?

However, what should, after all, be considered a threat? Experts on the subject say that it should be considered the product of the material capability possessed by a probable adversary for carrying out certain types of actions hostile to the interests of a country multiplied by the intention of that adversary to actually carry out those actions. Therefore, if it is easier to deduce from the weapons of an adversary the type of actions their possession makes possible, then the question of intention on their use is of the type that allows extremely varied speculations. The scope of these speculations allows, for example, western and Chinese strategists to see in the considerable arsenal of the Warsaw Pact an obvious threat to the security of West Europe and the pacifists seek to cancel the product, and therefore the threat, attributing peaceful intentions to the East, or at the most, exclusively defensive intentions. It is also here that one of the greatest problems for the strategic intelligence experts resides. If they were to give a timely warning of a certain threat, they run the risk of being taken for madmen and if they did not give the warning and the threat were to materialize, they would then be mercilessly classified as incompetents. For these and other reasons, there are those who consider it preferable to say that a country is primarily threatened by the "exposure" of vulnerabilities or weak points which may become temptations to be explored by enemies of national interests. Actually, it seems perfectly natural that an enemy, who seeks to persuade or coerce his adversary in such a way as to make him embark on a road favoring his interests, can exert pressure by acting on his weak points. That is why the primary concern of a security or national defense policy should be based on the correct identification and characterization of those weaknesses which can be exploited by others and on the application of suitable measures to minimize them as soon as possible, as is done with the health of a human being, whose physical and moral defenses must be maintained at levels which prevent attacks by harmful agents or reduce their effects. An important vulnerability of a country could reside precisely in the lack of a military power compatible with the defense of its interests in a world in which despite everything there is a resort to violence when other arguments are not sufficient for reaching objectives and the use of force promises certain success. That is why even countries which traditionally practice neutrality like Switzerland and Sweden, do not dare do without the armed forces they consider adequate for their security.

In dealing with the question of national vulnerabilities from the perspective of military defense, it seems important to begin by pointing out that Portugal has its roots in the Iberian Peninsula, which is characterized by the chronic instability of a region which has not yet found its final geopolitical balance and in which Portuguese independence has already been viewed as one of the

obstacles (the other is Gibraltar) to the exploitation of its complete strategic potential for the exclusive benefit of the Iberian population. On the other hand, it is known how our country saw itself compelled a long time ago to seek in an Atlantic policy characterized by alliances with maritime powers and by the discovery and conquest of lands outside the peninsula, the supplementary strategic power that allowed it to avoid the natural hegemonic inclinations of its powerful neighbor. That is why Portugal is actually viewed as an archipelagic country, since it is from the integration of the strategic potentials of the continent and the archipelagos of Madeira and the Azores that it obtains the power necessary to attain its aspirations under acceptable conditions. It also happens that the positions held in any of the Portuguese regions have such strategic importance that only unity among them will prevent them from being annexed one by one by the great powers and blocs which believe they need them for the maintenance of their own security (observe the use of the Azores, in a certain way "forced" by the Allies in World War II, the unacceptable maintenance of the same archipelago outside the IBERLANT area because of a NATO decision, the interest shown by North African Arab countries of the radical wing, and even by other African countries, in the Madeira Archipelago, and the degrees of independence that would be left to Portugal if it were exclusively relegated to the Iberian Peninsula).

From the aforementioned points, it becomes obvious that the Portuguese nation can more easily minimize the hypothesis of threats to its security and independence and control its own destiny if the populations of the three areas which make up its territory were to accept the archipelagic status of the country properly and awarely, and if on the military defense plane, whether on a national plane or that of NATO, there were the permanent concern of maintaining national territory as an indivisible whole at all costs. In other words, continental and insular Portuguese cannot forget that the freedom for political action of the country, whether it is on the Iberian level or within the Atlantic Alliance itself, is directly proportional to the degree of unity existing among the regions of national territory.

It is more than well known that Portugal holds positions considered of great importance for western security. Therefore, national territory can be a significant contribution to the security of the West within the framework of nuclear strategy, since its use makes more effective the vigilance to be exercised over the movement of Soviet nuclear-powered, ballistic missile-launching submarines and increases the chances for survival of the North Americans. National territory is highly advantageous for providing protection to vital western maritime routes within its reach, and particularly for the exercise of naval and aerial control, which becomes mandatory for the possible unleashing of operations from North American to rescue Europe if there is an invasion by the East (remember that the success of these operations was the basis for the victory of the Allies in the last two World Wars).

Because of the strategic importance support bases on national territory would have for the West, naturally there arise the hypotheses that its enemies could already be considering their neutralization after the initiation of a possible large-scale conflict. That is why our allies, who are certainly aware of that



possibility, tend to seek to guarantee the vigilance and defense of our positions with their own means in case we do not show the willingness or capability for it. The stationing of foreign military forces in national territory would very probably bear serious dangers to unity and national independence, dangers which could be even greater if the West saw itself forced by unusual circumstances to entrust, even temporarily, the security of our positions to a regional foreign power that would demonstrate a sufficient capability, as could be the case of Spain, which is spectacularly increasing its military power with the obvious purpose of assuming a role compatible with its geopolitical value and its historical aspirations. On the other hand, the assumption of a less prestigious position within NATO would very probably limit access by our country to the benefits of cooperation and aid the Alliance provides in non-military areas such as science and technology and the education and training of technicians and scientists, and so forth.

The strategic military defense concept of any country should at least comply with three essential conditions:

It must be adequate, which means actually capable of attaining the desired effect. It must be feasible, which means that the financial capability for the acquisition of military resources as well as the management and technological capabilities for their use and maintenance must be assured.

It must be acceptable, which means the material costs are justified because of the real importance of the objectives to be reached.

The desired effect of a strategic military defense concept must, in the first place, be that of contributing to the defense of important national interests such as security of national territory and the population, territorial integrity, sovereignty and independence. In second place, for a country such as ours, will be participating as much as possible in the defense of Europe and the West, in keeping with commitments assumed. It would be well to say, since the participation by Portugal in NATO is due to a national interest, that it is possible and even proper for a strategic military defense concept to be adopted that can be complemented by the defense plans of that alliance itself and that, on the other hand, it does not go against what may be expected from our country for the common defense effort.

The strategic military defense concept suited to the country we are must coldly and realistically consider geographic, human and historical factors, among others. Portugal is where it is; it is physically what it is and its historical conduct means something. Therefore, it would of course behoove the concept to consider the archipelagic nature of our territory, not only as a means of contributing to the realization of the very important objective of national unity, but also to take possible advantage of our territorial discontinuity itself so as to acquire an increased capability for survival against military aggressions, using a phased defense by regions. Portuguese military history on the continent and on the islands reflects a tradition of defensive philosophy and popular resistance which was successful. Such, for example, are the cases of resistance against the Castilians and the French on the continent, almost invariably using the Lisbon region as the last redoubt, and against the Philips

and the English in the Azores, primarily on Ilha Terceira. It also happens that for years, even within the Atlantic Alliance, there has been noted a certain attraction to the idea of presenting a plan of popular resistance as a deterrent to any possible intentions of a military invasion by the East. Because of the foregoing, it would seem that consideration of the Portuguese military tradition of popular resistance in a strategic military defense concept would be capable of providing it with the necessary credibility and even acceptability.

The fact that the country finds itself injected into a global defense plan such as that of NATO may give many the idea that it is enough for us, since the Alliance would wind up defending us in any case. It is understandable, although it may not be accepted because it is contrary to the imperative of allied solidarity, that in certain countries, which may not be subject to threats other than those from the East, such a thing is being thought, as seems to be happening in Denmark. However, in regions whose strategic importance attracts the attention of the great powers and blocs, and primarily in those whose geopolitical balance has not yet been found--as happens in the Iberian Peninsula--the possibility of an eruption of regional tensions must be taken into account. Such, for example, is the case of the Eastern Basin of the Mediterranean, where NATO and the United States were politically paralyzed because they could not make use of Greece or Turkey when military conflict took place between those allies because of Cyprus and where important misunderstandings on jurisdiction in the Aegean Sea arose because important economic resources exist there, misunderstandings which could keep the region in upheaval for some time longer. The confirmation of realities such as this, the fact that we have some strong historical reasons to doubt the steadfastness and sincere unselfishness of the allies, plus simple common sense, unquestionably point to the fact that a country such as ours, even if it is a member of NATO, should have its own independent military defense capability that would give any possible enemy the idea that it has the capabilities of at least resisting effectively during the time it usually takes international public opinion, agencies, and even alliances, to react to aggressions. This would prevent our being susceptible to the imposition of the surprise of accomplished facts, or at least it would prevent our being subjected to coercions harmful to our national interests. If such a military resistance capability were also agreeable to NATO because it could be integrated into its own defensive plans, it could then become easier to obtain the help and military aid needed to make it feasible.

In previously published articles, we have already suggested that a strategic military defense concept of an archipelagic nature based on Portuguese military tradition could possibly, as a minimum, envision the sharing of military power by three regional bastions of resistance, one on the continent, another in Madeira and still another in the Azores. First of all, it is important to point out that the military defense of a certain territorial space is always, and in the final analysis, accomplished in that territory itself but without forgetting the defense of its aerial approaches, and in the specific case of Portugal, the maritime approaches also. On the continent, the strategic concept put into practice with complete success by Wellington against the French invaders (mobile harassment and delaying force, popular resistance, fortification of land accesses to Lisbon and maritime defense assured by the forts of Tejo and by the control of rivers and the sea by naval forces) still appears feasible today, since accurate

guided weapons (missiles and artillery) against tanks, ships and aircraft appear suited for resistance by lesser powers against the others, as has been confirmed by recent military conflicts, specifically the "Yom Kippur" War of October 1973 in which for the first time it was possible for the Egyptians to stand off the very powerful Israeli armored and air forces for a long time by using accurate missiles and artillery. With respect to the sea, and still in the same war, the small Israeli missile-launching units and submarines made the larger Egyptian naval units completely useless and prevented any thought of an amphibious attack on its vulnerable coasts by its erstwhile enemy. Therefore, the "rehabilitation" of the resistance plan used by Wellington, with recourse to a system of forces identical to the foregoing, that is, with an independent mixed brigade, the modernization of the army in the fields of antitank, anti-aircraft and coastal defense, the planning of popular resistance, the arming of the navy with light surface-to-surface and antiaircraft missile-launching units, means for carrying out mine warfare, submarines (of which there is already a nucleus of three efficient units), and the arming of the air force with air surveillance and intercept equipment as well as that for maritime patrol and attack, does not seem altogether impossible. In the Azores and Madeira, the islands which appear essentially to be the most suited for becoming bastions of resistance would be Terceira (where in addition to the tradition of resistance cited above there is already the important airbase at Lages with an interesting port complex to be built in the neighboring Praia da Vitoria, where a naval base is planned) and Porto Santo (where the only airport of the archipelago with possibilities of development for military purposes exists and where port installations to service it are already under construction). The defense of these bastions of resistance in the islands should be insured by personnel and equipment duly specialized in the protection of airports, ports and other sensitive points against surprise attacks, particularly those from the air (parachute troops, missiles and aircraft), complemented by aerial and maritime defense means. This minimum national territory defense plan should also be rounded out with forces of great mobility that would hasten, if necessary, to reinforce any bastion (forces such as paratroopers and marines equipped with the air and naval transportation that would insure the necessary flexibility, effectiveness and economy of their employment) and with a system of command, surveillance and communications. This system, in addition to insuring sufficient surveillance over the territory and its air, land and sea approaches, would also consider a strong measure of command decentralization, since complete immunity of telecommunications from acts of sabotage, deception and seizure in modern warfare cannot be guaranteed. For a theater of operations such as the national, a centralized command should serve mainly for basic tasks of conception, planning, doctrine, inspection, training, the movement of personnel among the subtheaters of operations necessary for the flexibility, mobility and economy of the system and for the accomplishment of war games and maneuvers to allow frequent evaluations of their effectiveness and of the improvements that should be made. Since the ports and airports of Lisbon, Terceira and Porto Santo appear to be included precisely among those which the Atlantic Alliance needs to maintain securely to guarantee maritime and aerial surveillance in times of peace and crisis in the Atlantic Ocean and to insure the control of the sea and air necessary for the accomplishment of vital operations for the relief of Europe in case of a military invasion by the East, the concept advocated therefore appears to be worthy of warranting the interest of NATO and for that reason lead it to actually support its implementation.



As has been stressed, the plan advocated is a minimum plan, which means that it corresponds to a level of military defense below which serious dangers to security are incurred. For that reason, it should be taken more as a basic structure of resistance phased by regions. It would be well, however, not to ignore that there are other important islands to protect such as Madeira or Sao Miguel, and also other interests, which if not defended run serious risks. Among those interests are the national maritime routes (nearly 95 percent of our imports, among them hydrocarbons and food products, and nearly 85 percent of our exports use maritime routes), interterritorial and island routes and the maritime routes of the West (at any one time there are nearly 400 ships of all types, which participate in the supplying of Europe with vital products, along our coasts). The NATO Ibero-Atlantic Area Command (COMIBERLANT) has a need for naval and aerial facilities for the performance of missions of maritime surveillance and presence in times of peace and, particularly, for their immediate use in case of crisis or war for the protection of the aforementioned heavy western shipping. That is why if Portugal did not have such facilities, there would be the risk that NATO would try to make use of the Spaniards if that country were to become a member of the Alliance. This possibility at first sight could be seen as not presenting great obstacles, however, it must be taken into account that Spain very rightfully would not allow its military facilities to be used to serve the Alliance in our area of natural responsibility without political and military concessions which could possibly affect our prestige or influence in the organization and perhaps even our own sovereignty and unity. There is also the problem of exercising sovereignty in our exclusive economic zone, it becoming necessary that we have, in addition to an electronic surveillance network associated with the command, control and communications system mentioned before and the threat of heavy punishments to be imposed on possible violators, some naval and aerial equipment which could be, however, less sophisticated than those needed for modern naval warfare.

Finally, despite the fact that military power must be basically and primarily destined for war, it would be useful if it could also be called upon in case of disaster, particularly those caused by earthquakes, whose frequency and violence contribute to increasing the effects of isolation on the population of the islands. It is believed that in planning for the facilities to be obtained, and even in the plans for their operational use, that factor should have its own place as an objective for contributing to the security and tranquility of that population.

As to the feasibility of the strategic military defense concept advocated, while it is true that technological progress allows the use of highly effective weapons by personnel whose educational development is not at the weapons' level (the case of the antiaircraft missiles used by African guerrillas in the wars we fought in Africa and the antitank and antiaircraft missile systems used by the Egyptians against Israel), it must not be forgotten that for that same reason difficulties in maintenance and handling of the material will increase rapidly and there will also be an increase in the degree of dependency by the lesser powers on those who provide them with war materiel. This will even have an influence on the type and duration of any war it is possible for them to wage on their own initiative.



This means that if an independent military defense capability were thought to be indispensable, it could mean the sacrifice of something with respect to the sophistication of equipment; it would be more desirable than ever to turn to national industry, and the freedom of political maneuvering sought through the existence of military power would have to be subjugated to whatever strategic military defense concept would be possible. The diversification of foreign sources of armament is one measure which can contribute to increasing independence of action, however, on the other hand, it contributes to increasing difficulties in handling, maintenance and training, which in turn contributes to decreasing the credibility of the defense system. Another factor, which according to the criterion of feasibility should be seriously taken into consideration in the formulation of a strategic military defense concept (and in the acquisition of equipment for it), is the presumable scenario of shortages in the area of energy. We shall probably never again live a time of energy abundance in West Europe.

If the independence of military defense on the conceptual, industrial and operational levels is considered an essential condition for the exercise of the sovereignty desired, then it would seem that the problems resulting from technological progress and the energy crisis will point toward the suitability of a greater simplicity of equipment and a greater simplicity of military defense concepts. From the foregoing it appears that the advocated fragmented system of bastions of resistance could be feasible, given its simplicity and the relative lesser degree of sophistication required by the means needed for its implementation and also because it contains the conditions for arousing the interest and possible help of the Atlantic Alliance.

With respect to the question of "acceptability," it is believed that the Portuguese will not be able to "Denmarkize" their military philosophy since very specific problems of sovereignty and independence other than those derived from the East-West conflict are posed. As was said before, such problems are those resulting from the fact that national territory is located in a region which has not yet achieved its geopolitical balance, it is suffering from a territorial discontinuity whose effects on national unity must be minimized and because its use for military purposes is of interest to the great powers and blocs for reasons of their own security.

It is not believed that the Portuguese, who always paid a high price for their independence, will now want to engage in an inglorious surrender. Moreover, if that were their actual will, there are no doubts that others would take it upon themselves to garrison the "Lusitanian Citadel" for reasons that have been indicated, which would make the Portuguese attitude somewhat unintelligent at the very least, since other countries are seeking to resolve part of the serious problems of unemployment with the expansion of their armed forces and armament industries.

Obviously, Portugal as a poor country must necessarily resort to its greatest ingenuity to survive. Therefore, and without losing sight of the fact that military power to be created must in principle correspond to the interests to be defended and to the military power of possible enemies, when the privilege of providing less sophisticated equipment to its armed force, equipment which

may even be manufactured in the country, is allowed, the costs of its military defense may be reduced. Those costs could become even more attractive if that war materiel could be of interest, as seems possible, to developing countries which are learning from their own experience of the technological and political problems deriving from their dependence on more powerful nations.

The assessment presented appears, therefore, to contain the conditions for acceptability, since the objectives to be attained are truly important and the costs can be reasonable.

In conclusion, it is believed that it may be of some interest to become aware of some past and present opinions on the topic under discussion:

Prime Minister Afonso Costa said in 1913 that "the internal rehabilitation of the country must be insured by the preparation for national defense...It is not enough to wish for peace and to damn war; it is necessary to organize the former, making the latter less efficient against us. There is no peace possible as long as some countries are strong and others are weak...For us it could be a question of life or death."

In the DIARIO DE NOTICIAS editorial of 21 June 1979, written by one who is in a position to have special sensitivity with respect to the defense of an archipelagic state such as ours, can be read: "Preoccupation with defense is a constant in the history of the Azores and Madeira, where the need for protection against foreign threats is always aggravated by the shackles of the isolation of their island status... (In World War I) both Funchal and Ponta Delgada were the target of shellings by German submarines... An American vessel, which took on supplies at Ponta Delgada, insured the defense of the city, responding to the attack by the enemy... The regional press warned about the 'inadequateness of the defense of the island'; it classified Ponta Delgada as an 'open and almost defenseless city'; it revealed 'the serious lack of artillery and ammunition at the Sao Brao base'; and it spoke of the idea of a public subscription for purchasing 'the modern firearms' the population lacked in America or England. In Lisbon, in an interview granted to A CAPITAL, the hero of Rotunda, Machado do Santos, bewailed the fact that we had 'entrusted the defense of Sao Miguel to the Americans, that of our maritime transports to Divine Providence and that of the port of Lisbon and the coast to the hearts of our brave officers and sailors.'" October 1980

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## RISING U.S. OPPOSITION TO FRG-USSR GAS DEAL SEEN

Hamburg DER SPIEGEL in German 19 Jan 81 pp 34-38

[Article: "Extremely Faithful--Opposition to the German-Soviet Pipeline-Gas Deal Is Growing--With the Announcement That It Is Sending Less Gas Than Agreed This Winter, Moscow Has Lent Ammunition to the Opponents of the Superdeal"]

[Text] The two ladies from Washington traveled separately to the FRG. Yet they were coming with the same mission.

Angela Yergin, professor of political science at Georgetown University in Washington, on behalf of the U.S. Congress asked German managers about private business data such as prices and the size of deliveries. At the firms of Ruhrgas, Mannesmann and BP she showed particular interest in their deals with Moscow.

High-ranking Pentagon official Ellen Frost led her research in Bonn government offices. At the Ministry of Economics she asked to see energy maps, wanting to know even details about the subterranean natural gas storage depots in Germany.

The visit of the two ladies caused managers and ministry officials a deal of discomfiture. They were afraid that with the result of their research the American ladies might lend additional fuel in Congress and in the U.S. Administration to the opposition against the greatest ever industrial deal of the Germans with the Soviets.

So far all had gone very smoothly with the deal worth billions of deutsche marks. With German firms as the leading contractors, a European consortium is to receive from the Soviets 40 billion cubic meters of natural gas a year starting in the mid-eighties. In turn, industrial concerns plan to supply the entire 5,000-kilometer pipeline from the Siberian Peninsula of Yamal to the terminus in Waldhaus in Bavaria.

Worth DM 15 billion, the new gas-pipeline deal would be by far the biggest export-import deal in German industrial history.

As yet, however, the deal has not been finalized. While Bonn has given its approval, the deal and counterdeal are not to the liking of Big Brother in Washington.

The Americans argue that through the supply of power aggregates which would be installed on the pipeline route, the Kremlin would obtain Western know-how that would also be useful to Soviet weapons technology. What was worse, the Europeans would become subject to blackmail through arbitrary turning on and off of the gas tap.

Many Americans therefore, particularly the newly elected conservative senators, expect President Reagan to take the Europeans to task shortly after assuming office. Even "in the smallest suburbs," SPD Deputy Ulrich Stager learned on a recent trip to the United States, for example, the deal of the Germans with the Russians is being commented on unfavorably.

It is true that the Americans are hardly entitled to tell the Europeans how to conduct their energy planning, and it is true that the people in charge in Washington, with their still enormous own supplies of gas and oil, probably lack a real understanding of the Europeans' energy straits, but it is a fact that the new deal would increase European dependence on Soviet energy supplies enormously.

If the gas plans were implemented, the Russians as early as 1984 would deliver twice as much to the Bavarian border as at present. With 24 billion cubic meters annually, the Soviet Union would be supplying 30 percent of the natural gas needed in the FRG.

But will they actually always push the gas punctually and to the full extent through the giant pipeline? Are the Americans not right with their warning that Moscow may use the energy source as a means of political pressure?

In the Old World this had hardly been talked about--until, late in the week before last, the Russians themselves gave reason for doubt.

Old Man Frost had delayed deliveries by the government Soyuz Gas Exports. "Owing to technical difficulties" Moscow can send its European gas customers only two-thirds of the agreed quantities at present. Instead of 3 billion cubic meters, the Russians are pumping only 2 billion into the distribution network of the Essen Ruhrgas in the first quarter of 1981.

As far as the staunchly conservative FRANKFURTER ALLGEMEINE was concerned, the message was clear: "This is the way the Soviet Union treats its big German customers."

The CDU/CSU opposition too was again in doubt, as of old, about the reliability of the traders in the East. Werner Dollinger, CSU, the chairman of the Economics Committee in the Bundestag, warned that it was no longer sure as regards supply.

The Bonn patrons of the mammoth project are taking a relaxed stand. "The excited talk" this side of and beyond the Atlantic was "not very sound," opined Economics Minister Otto Graf Lambsdorff. "I have no doubt," the count said, "that the Soviet Union will keep to its obligations."

The regular German suppliers of the Kremlin too are sounding a calming note. Ernst Pieper, the head of the Salzgitter concern and builder of the Moscow model airport Sheremetyevo 2, says about his customers in the East: "Even in the event of tension, they are extremely faithful to their contractual agreements"; the "speculation about the turning on and off of the gas taps is mistaken."

Nor do the FRG gas managers think that the Soviets would use their business relations for maneuvers of blackmail. The protagonist in the mammoth deal, Ruhrgas head Klaus Liesen, much involved in business with the Soviets since 1973, says that "except for the usual technical breakdowns every winter," he can "rely on their being dependable in their deliveries."



After all, the Ruhr manager is not doing business with the Soviets because deals with Moscow are especially profitable; rather it is lack of energy, pure and simple, which is propelling Liesen's Ruhrgas eastward.

Neither the gas producers in Europe nor those in the Middle East so far have been prepared to commit themselves to guaranteeing Liesen the required amounts.

For example, neighboring Holland, which now covers 37 percent of FRG gas needs, was to come through with higher quotas at the end of the century when the domestic sources in Lower Saxony would dry out, but the Hague made it apparent to the energy planners in Bonn that not even the contracts expiring in 1995 would be renewed.

From Khomeyni's Iran, a Bonn energy official says, "not a whiff of gas" can be expected any longer. While the shah was still in power, the Iranians had promised Ruhrgas 5.5 billion cubic meters of the desired energy source.

Even Algeria is suddenly refusing to sell the Germans and the United States liquid gas on a firm contractual basis.

In Graf Lambsdorff's long-term program of energy supply, over half of the gas expected to be needed in the year 2000 is still more than an unknown quantity as far as the source is concerned. With the aim "away from oil," the Liberal intends to raise the consumption of natural gas in the next 10 years from the present 60 billion cubic meters to more than 80 billion.

Quick replacement of the shortfalls is not in sight. Even at the new members of the small cartel club of the producing countries, the customers are standing in line. In African Nigeria, for example, U.S. concerns are making huge-quantity purchases, off the British shore the Britons have snapped up the biggest chunk, and the Norwegian gas is to be distributed to all Europeans.

Thus the Russians came at exactly the right time in the fall of 1979. They wanted to release their giant gas bubbles under the Siberian tundra to their old customers for exploitation--France, Austria, Italy and Belgium in addition to the FRG.

From the drill hope to the last pumping station near Bavaria, the purchasers are to do everything on their own account, with payment to be made later with Yamal gas.

Thus the steel and electrical concerns in the West will be the first to make a profit from the East-West deal.

The biggest individual order, worth about DM 7 billion, can be expected by Mannesmann of Duesseldorf, which is to supply its newly developed big pipeline, capable of sustaining particularly high gas pressure, for the 5,000-kilometer line.

Shortly before Christmas, Ernst Pieper of Salzgitter and Heinz Duerr, head of the electrical concern AEG Telefunken, went to Moscow. With Gas Minister Sabit Orudzhev they discussed details about the supply of compressors (which push the gas through the long pipeline) and of cooling aggregates (which reduce the gas to the ideal temperature for the long transport). The value of the order: About DM 5 billion.

Financing is being discussed in the Koenigsallee in Duesseldorf. In a couple of weeks, Friedrich Wilhelm Christians, spokesman of the Deutsche Bank, plans to celebrate the first settlement with a reception.

Only Ronald Reagan, it appears, might still spoil the deal of the gas, money and steel managers.

## PLANS TO CONSERVE FUEL, ALTERNATE SOURCES OUTLINED

Paris LE MONDE in French 16 Jan 81 p 32

[Article: "The Government Hopes to Conserve 25-50 Percent of Fuel by 1990"]

[Text] The government hopes to conserve 25-50 percent of fuel by 1990 by developing the production and commercialization of motor fuel not extracted from oil.

On 14 January, Giraud presented to the council of ministers, then to the press, a program for partial substitution of oxidized products for traditional motor fuels. The "carburols" can be produced from different non-oil resources: coal, gas, wood, vegetables. In 1981, 100 million francs will be allotted to this program, the objective of which is to meet, in 1990, 25 to 50 percent of our motor fuel consumption."

Two channels will form the main framework of this program: the production of methanol from different combustible matter (wood, coal, gas, residues of heavy oil, lignite, shale) by manufacturing a gas that is then changed into methanol; the production of acetone-butylic mixtures from a variety of vegetable matter (straw, corn, Jerusalem artichoke, beets, sugar cane, fodder plants) by means of a hydrolysis and fermentation process. A third channel, the manufacture of ordinary alcohol through fermentation of sugar or starches, will be studied, but currently appears less promising.

Specifically, this policy will be expressed in:

- An interministerial decree that will be published soon in the JOURNAL OFFICIEL and that will change the usual super motor fuel specifications. Up to now, super motor fuel could be composed only of hydrocarbons; henceforth, it can contain up to 10 percent of carburol. That will make it possible to distribute this mixture from regular pumps without modifying vehicles;
- The appropriation of 100 million francs for public credits in 1981 for the development and experimentation of various carburol production channels;
- Studies and experimentation of agricultural raw materials

- The creation of pilot testing units for gasification through oxidization of wood, synthesis of high grade methanol and alcohol, and production of acetone butylene;

- Testing of motors and vehicles;

- The designation of an official in charge--a director of hydrocarbons--and the creation of two administrative departments: "a commission for substitute motor fuels," charged mainly with approving authorized mixtures, of coordinating research programs (those of the French Petroleum Institute, the National Institute for Agricultural Research, the Solar Energy Commission, and several other research departments), and with selecting processes; a Commission for the Production of Substitute Motor Fuels (CPCS), charged with establishing objectives leading to the development of various channels (on the model of the PEON [expansion unknown] commission for nuclear energy).

Over a longer-term period, "when there is a significant production of carburols," it is foreseen that a special motor fuel that includes up to 50 percent of carburol will be distributed from a network of special pumps to adapted vehicles.

Giraud conceded, however, that at present the cost price of methanol is competitive," when it is manufactured from gas or cheap coal (that is, imported).

As for the vegetable channel, its cost price is "higher than that from which oil products are obtained," added the minist. v

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## SURPLUS OF EXPENSIVE ENERGY REPORTED CAUSING PROBLEMS

Amsterdam ELSEVIERS WEEKBLAD in Dutch 3 Jan 81 pp 25, 27

[Article by Fred Kappetijn: "The Netherlands Already Has More Than Enough Too Expensive Electricity"]

[Text] The overcapacity of established electricity generating capability in the Netherlands, which is now 30 percent, will increase even more in the coming years. First, because electricity use in industry is declining due to the receding economy and second, because the public utilities are building new power plants which can be fueled with coal, which is appreciably cheaper than oil and gas, and third because more and more industries want to shift to generating their own electricity.

Reconsideration of the job of the electric companies is therefore necessary.

For the first time since World War II, there has been a decline in the use of electricity in the Netherlands, by about 0.5 percent. The decline in the consumption of electricity fits in with a decline of about 1 percent in total energy consumption in the Netherlands. Even though a saving of about 0.4 percent has been achieved in the household connections, the total consumption in the household and service sector has increased to a certain extent because the number of connections is still increasing about 1.5 percent per annum. That means that household use of electricity has increased about 1 percent. That was still 6 percent the year before.

The saving in electricity consumption comes primarily from industry. The decrease in consumption is caused by the decrease in industrial activity and the increase in the number of firms that are beginning to generate their own electricity. We will come back to this so-called "cogeneration" shortly to deal with it more comprehensively.

The stagnation of electricity consumption in the Netherlands is a new phenomenon for the electric companies, who have united in one of the Arnhem foundations, the Association of Operators of Electric Companies in the Netherlands (VEEN). The members of this association have had a very hard time of it in establishing prognoses for the consumption of electricity in the Netherlands since the energy crisis.



whether or not it was artificially produced. Each year the predictions prove once again to be too optimistic. The number upon which these predictions turn is the maximum load. That is the greatest electrical capacity which is demanded of the electric power plants in a year and which therefore has to be generated at that moment. This maximum load determines the generating capacity, that is, the number and size of the electric power plants, that must be present in the Netherlands.

Predicting the future is a difficult activity, which could be applied as an excuse for the electricity producers if the stubbornness of the overestimate were not remarkable (See graph). The result is that because of the period of 8 years that lies between the decision to build and the bringing on line of an electric power plant, a followup effect takes place which does not tie in with the disappointing economic developments and the associated limited increase and even decline in the demand for electricity.

Despite the predictable overcapacity, it was decided in 1973 to build two new electric power plants, in Geertruidenberg and Nijmegen, each of 600 MW, because these plants would contribute to what is called diversification, through the use of coal as a fuel. This main point of governmental policy is to lead to reduction of dependence on too small a number of primary energy sources, specifically oil and gas. Another important consideration in the decision to establish more capacity is that fueling with coal is appreciably cheaper than with oil or gas.

The overcapacity caused in part by this has led to the fact that last year the maximum load was 9,500 MW, while the established capacity is about 15,000 MW. That means that taking the required reserve capacity into account, in the Netherlands there is now an overcapacity of established generating capability of nearly 30 percent, circa 3,000 MW. It appears as though despite the production capacity to be taken offline because of obsolescence the overcapacity will only increase further over the coming 4 years, because nearly 2,000 MW of electrical generating capacity will be added by the two coal-fired power plants just mentioned and the various city heating projects up to 1985.

Thus the 27 percent reserve capacity which is needed for maintenance and calamities such as power plant breakdowns is not included in this overcapacity. Not everyone agrees with the size of the Dutch reserve factor of 1.27. In Belgium, a reserve factor of 1.25 is used, and in the FRG 1.20. If the Netherlands were to use the same factor as the FRG, that trims off about 1,000 MW, or one nuclear power plant, or one-third of the BMD (Broad Popular Discussion).

On the basis of the reserve factor of 1.27, the Netherlands has an overcapacity of established generating capability of about 3,000 MW. Is that bad, then? That is another point not everyone agrees on. It is remarkable that the electricity producers themselves do not feel burdened by the overcapacity. On the contrary. In the September 1980 bulletin INFORMATIE VAN DE VEEN, there was an article with the title: "Existing Overcapacity Has Several Advantages." In it, VEEN argued that there was less need to use older, less profitable power plant units using natural gas or oil and that this had a number of advantages: "The overcapacity in the production of electricity, which has come about involuntarily, in fact entails advantages: diversification is increased, energy is being saved and there is also a financial advantage. By taking obsolete production units out of service, the currently existing overcapacity will disappear over a number of years."

## 10 Years

"A number of years" is a euphemism. The way it looks now, that will be at least 10 years. That financial advantage is also somewhat dubious. VEEN states that, thanks to the overcapacity, 270 million guilders are saved annually, while the capital costs are 225 million guilders. Other people have also toted that sum up from time to time, but "remarkably" with quite different results. In fact, in its report "Concentratie Nutsbedrijven" [Utility Concentration], the office of Krekel, Van Der Woerd, Wouterse states that the maximum saving per year is 92 million guilders, and that capital costs and other costs, wages and depreciation total 340 million guilders annually. Thus in place of the 45 million guilders profit according to VEEN, there is a loss of at least 248 million guilders per year according to Krekel, Van Der Woerd, Wouterse.

There also seems not to be very much reliance on VEEN's figures at the Ministry of Economic Affairs, for Dr W. J. H. Tielemans, the director general for the energy supply at EZ [Economic Affairs], said in the spring during the symposium, "Cogeneration: A Contribution to Efficient Energy Use," that the consumer pays 1 cent [.01 guilder] more per kilowatt hour (kWh) as a result of the overcapacity.

However that may be, it appears at first sight that it would be unreasonable to build more electric power plants in the next 10 years. However, it is not that simple, for our power plants are fired primarily by oil and gas. The price of both of those fuels continues to rise, while the price of hard coal lags clearly behind them. That has a considerable effect on the price of electricity in the Netherlands, because the fuel-cost portion in that is now appreciably greater than it is abroad, particularly in the FRG, our major competitor, where electric power plants are fired primarily with relatively cheap hard and soft coal.

Especially the Dutch industries which belong to the group of major electricity consumers have observed that their competitive position has suffered severely. There are industries that have to pay 30 to 40 percent more per kWh than their competing neighbors to the east.

## Nationalization

Discussion is now taking place at the Ministry of Economic Affairs about how to help these firms very quickly. There are various long-range possibilities. The most incisive measure is to have the government set the price per kWh, comparable to the setting of the gas price. This measure does not seem to be practicable for the time being, because first a sort of nationalization of the utilities would have to take place.

Another possibility could be the accelerated transition from power plants fired by oil and gas to those fired by coal. That can be done by transforming existing power plants or by building new ones. A study has shown that: "it is possible to transform two production units at the Maas power plant of the PLEM [Provincial Limburg Energy Co] in Buggenum (Limburg), along with both production units on the Maas Plain of the Rotterdam Municipal Energy Company (...). With respect to the two PZEM [Provincial Zeeland Energy Co] in Borsselle, further study is required," according to INFORMATIE VAN DE VEEN.

The third possibility is the building of new power plants which can be fired with coal. Plans for two power plants, Dordrecht (coal/oil) with 600 MW for 1986/87, and Velsen (blast-furnace/coal/oil) with 460 MW for 1987/88, are already at an advanced stage.

It is clear that this roughly 1,000 MW will only increase the already large over-capacity in established electric generating capability, which depresses profitability and adversely affects the price per kilowatt hour. This poses a very complicated problem: Do you have to build new power plants, in the interest, first, of the policy of diversification which strives for the use of less oil from politically unstable countries and for economizing on our natural gas, and, second, in the interest of using cheap coal?

#### Cheaper

The difference in fuel cost per kWh between oil/gas and coal is now 5 percent. This difference is steadily increasing, but no one knows how far and how long that will keep on. In any case, coal will remain appreciably cheaper, because the price of coal is not determined by the formation of cartels but on more gradually developing production and transportation costs. Perhaps in the future the price will be determined by the formation of cartels but on more gradually developing production and transportation costs. Perhaps in the future the price will be determined by regulations with respect to environmental demands, inadequate supplies, or even sooner by an inadequately developed infrastructure for transportation, specifically, too limited shipping facilities in the harbors of the American East Coast. As though the future electricity supply were not complicated enough as it is, there is also the complicating factor of the possibility of industrial cogeneration. Cogeneration means that industries which need both heat and electricity in their production process generate these two forms of energy at the same time. That means that they generate their own electricity (power) and use the heat produced by that. The potential industrial generating capacity is estimated at from 4,000 to 5,000 MW.

Thus far, cogeneration in the Netherlands has not gotten very far off the ground. This can be attributed to a number of reasons: the limited financial margin for industrial investment, the industrial peculiarities of generating electricity, and finally the limited readiness of the electric companies to lend their cooperation, for example, by means of a reasonable compensation for possible surplus electricity which is delivered to the public powerlines and a capital compensation in the event of guaranteed continuous delivery of electricity to the powerlines.

#### Commission

Because the discussions between the firms that are eager to apply cogeneration and the electricity producers have generally proceeded very tediously, the Ministry of Economic Affairs has formed a cogeneration commission, which was to determine what reasonable compensations and stipulations are. This commission, called the Tielemans Commission after its chairman, will present its report one of these days.

Mr R. J. van Hasselt, director of "Krachtwerktuigen" [Power Tools], the association of operators of boilers and power tools, lifted a corner of the veil last month. During an information meeting organized by the Commission for Advice and Support

for Energy Affairs, van Hasselt reported that an agreement had been reached about compensation for electricity and generating capability. He further reported that the Commission expected the industrial generating capability from cogeneration to be about 2,000 MW in the year 2000.

This last figure is actually set incredibly low, because both a study by the Krachtwerktuigen association and Chapter 3 of the Ministry of Economic Affairs' Energy Report show that 4,000 MW in 2000 is very realistic. Van Hasselt, who has (had) a position on the Tieleman Commission, later confirmed for ELSEVIERS WEEKBLAD that the 2,000 MW was a compromise with the electricity producers, who cannot generate much appreciation for the attack on their monopoly position.

The difficulty about how much electricity industry is or is not to be permitted to deliver to the public powerlines has everything to do with the related disappearance of the need to have new power plants built by the electric companies. That industry really is a stiff competitor of the utility companies and that the 2,000 MW really is set too low was shown at the information meeting mentioned above, when van Hasselt stated: "I can report to you that recent research has shown that concrete plans exist for additional cogeneration generating capabilities of about 600 MW in 1985. Against the background of the recommendations of the Heat/Power Commission and the current energy prices, in all probability there will be several more hundred megawatts."

So there will be 1,000 MW in 1985 and in the remaining 15 years only another 1,000 MW? That seems very improbable. Van Hasselt told EW [ELSEVIERS WEEKBLAD] that for that reason he was happy with the commission's conclusion that the principles would have to be reviewed annually and adjusted if necessary. None of this helps the electricity producers. After all, if the government has the guarantee that industry will be able to deliver this 1,000 MW continuously, the construction of the planned power plants in Dordrecht and Velsen comes to be very unsettled.

#### Dordrecht

At the same time, industrial cogeneration is attractive from the standpoint of energy conservation, because all the residual heat is used. Whether a use will be found for all the heat from electric power plants is very much the question. It does not seem to be immediately clear that the new power plant to be built in Dordrecht, for example, will be able to get rid of all of its heat through city heating: the Amercentral [power plant] in nearby Geertruidenberg has difficulty disposing of its heat. Furthermore, with all of the heat-producing industries in the area, Dordrecht need not wait for an electric power plant for city heating. That was shown recently by the advisory report on the use of waste and residual heat from the provisional General Energy Council (AER).

The advisory report was based on an inventory carried out by the Netherlands Energy Development Corp (NEOM) of the heating supply and demand in the Netherlands. That inventory showed that "the realization of an energy saving of the equivalent of 5 billion cubic meters of natural gas annually must be considered possible in the event of the use of the energy potential of waste and residual heat in the Netherlands of 100 degrees Celsius or more."



NEOM's first estimate shows that in the Rijnmond 30 percent of the total obtainable heating capacity is available from residual and waste-heat sources. Thus there is no need to build an electric power plant in Dordrecht for city heating purposes, either. Further, the AER does feel that the possibilities of deriving heat from industry and from electric power plants must be given an equal chance.

It now looks as though the electric companies want to gather in the future warm water infrastructure to themselves, though. Therefore the AER's advisory report states: "In the council's opinion, the problems currently being encountered in the delivery of electricity by third parties to the public powerlines must be prevented in the delivery of industrial low-temperature heat to the public heat-transportation network. The combination in one agency of the role of producer of heat and that of monopolistic transporter and distributor can have less than desirable aspects. The Commission on the Concentration of Utility Companies (Coconut) will have to devote attention to this aspect, besides the attention which the organization of the traditional utility provisions deserves."

### Finances

Whether the two energy conservation methods--cogeneration and use of residual heat for space heating--will be realized in a short period of time is not only dependent on the electric companies' willingness to cooperate, but also on the available finances. In his introductory letter for the AER report to the Second Chamber, Minister Van Aardenne wrote:

"The government is aware that macroeconomic space will have to be found for the investment of 23 billion guilders for the proposed use of waste and residual heat, as well as for investments directed toward other energy conservation possibilities and toward the introduction of coal and cogeneration. Over the period up to 2000, it is a question of a total figure of 80 to 90 billion guilders at 1980 prices. That comes down to an annual investment of 1.3 to 1.5 percent of the net national income. With the possibility of a relatively low economic growth even in the future and with the private sector's savings rate remaining low, and specifically with the running account of the balance of payments under pressure as a result of an unfavorable development in the energy account with foreign countries, this means that the budget deficit will have to be reduced drastically. This is the more true when extensive investments by the private sector will also be needed to restructure the economy."

It is well enough known that the government has already run out of money, and few people will find it surprising that the necessary billions cannot be handed over immediately. Unfortunately, it is no better in industry. It is particularly tedious with respect to cogeneration that industry cannot make the investment to realize an attractive energy saving and the associated reduction in production costs.

Engineer E. De Ferrante, secretary of the Cooperative Association of Major Industrial Energy Users (SIGE) and head of the Erbeke Advisory Bureau for Energy Cost Research, is confronted regularly with this problem in practice. He has proposed a plan to alleviate this financial difficulty. De Ferrante: "A Legislative regulation must be introduced which is primarily directed toward eliminating the existing institutional and financial hindrances and meeting the risks. That legislative

regulation must strive for a clear distribution of labor between public energy supply and the user industries. Generating and delivering electricity is in principle the job of the electric companies. If this policy is to be applied consistently, the electric companies' small cogeneration units, but also industrial cogeneration units ought by preference to be founded and operated by the electric companies, while the industrial user would assume the responsibility to buy the heat and power." That is what De Ferrante, who is also a member/expert of SER [Socioeconomic Council] study group on energy rates. In his proposal, he wants to exchange the capital and expertise of the electric companies for influence on the cogeneration of electricity and heat.

De Ferrante told EW [ELSEVIERS WEEKBLAD] that this looks to him to be the only remaining way, because he has seen the need at some firms which have their own cogeneration units to divest themselves of the operation of those units. To whom? The electric companies seem to be the most appropriate ones. De Ferrante: "This could greatly expand the role of the electric companies. On the other hand, they will have to become involved in a gradual decentralization of energy production in the interests of energy conservation."

Force

And whether that will happen is very much the question. It is not certain that the public utility companies can be urged to enter into cooperative associations in the framework of national energy conservation and to take up decentralization. De Ferrante: "The utility companies are not adequately involved in and not used to working with small units. This requires a change of mentality and perhaps the use of legislative force."

It ought to be clear that the future electricity supply in the Netherlands is an especially complicated matter. The last word is far from having been spoken about it, and the last report has not yet been written. One thing, though, stands out like a sore thumb, that is that the electric companies, united in the SEP (Cooperative Electricity Producers) must be more cooperative. In the report: "Utility Company Concentration," the researchers essayed a paragraph on the future of the SEP: "The problem of maintaining a reliable electricity supply in the future for the lowest cost to society will prove to be more of a managerial and organizational problem than a technical and economic one. (...) Parties within SEP have given evidence in the past that they give greater weight to private interests than to the interests of the national system of electricity production and transportation and that they are not very willing to make sacrifices in the interests of that system."

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## ENERGY SITUATION, DEVELOPMENT, CONSUMPTION ANALYZED

's-Gravenhage ENERGIESPECTRUM in Dutch No 11, Nov 80 pp 256-259

[Text] ne explanatory statement of the budget of the Ministry of Economic Affairs which appeared last September provides in chapter VIII detailed information about the different aspects of energy policy. A summary of the relevant sections is herewith supplied.

## The General Energy Situation

Both the domestic as well as the world energy situation are determined by a number of not unrelated developments. The most dramatic of them in the recent past were again events connected with petroleum. As a result of developments on the oil market during the last one and a half years, the price of crude petroleum (cost, insurance and freight Rotterdam) has more than doubled, while the oil supplies' security was sharply reduced. Even with a lower economic growth than previously foreseen, there is great danger that we will face a situation in the coming decade in which energy production--taken as a whole--will meet needs inadequately.

Such a situation can only be avoided by a maximum effort on a world scale regarding the reduction of demand for energy and diversification to other energy sources besides oil. Therefore the minister considers especially important the rapid achievement of the policy goals which the government set on these points in the memorandum on energy policy which appeared recently.

The phenomenon of the sharply increased involvement of governments on the international oil market deserves attention. On one hand, producing countries have increasingly used destination clauses. On the other hand, governments of countries which are consuming more and more oil moved directly or through intermediaries into the purchase of oil from the governments of oil producing countries. Combined with increasing oil production, this leads inevitably to a reduction of the role of the international oil companies. These companies' share in

the world oil market declined from 75 percent in 1973 to 40 percent now. The proportion of contracts in which governments were involved in some way rose from less than 3 percent in 1973 by way of about 20 percent in 1979 to presumably 25 percent in 1980.

This has a number of important results. The oil supply becomes more vulnerable. The flexibility of the supply system, which was connected with the adaptability which characterized the international oil companies, is reduced considerably. The limitations which the so-called "government to government deals" involve regarding the oil's destination are an additional burden on the possible implementation of redistribution mechanisms in case of a supply crisis.

The secretariat of the IEA [International Energy Agency] expects that in the next decade the total demand for energy in the IEA area will increase by 2 percent a year from 3515 Mt.o.e. [million tons equivalent petroleum] to 4450 Mt.o.e. in 1990. According to the IEA the consumption of nonoil products could increase between 1978 and 1990 by over 3 percent a year from 1705 Mt.o.e. in 1978 to 2510 Mt.o.e. in 1990. Quantitatively the IEA expects the most important contribution there from coal. Coal production in the IEA will increase substantially from 654 Mt.o.e. in 1978 to 1010 Mt.o.e. in 1990 mainly for domestic consumption.

Moreover, the IEA Secretariat envisages in its future projections the tripling of nuclear electric power capacity in member countries from about 100 Mw (125 Mt.o.e.) to 250 to 300 Mw (350 Mt.o.e.) in 1990. With that 20 percent of electric power production would then be covered. In addition, the IEA considers the prospects favorable for importing natural gas from outside its area.

Finally the IEA Secretariat foresees an increase of energy produced from water power, geothermal heat and alternative energy sources from 220 Mt.o.e. in 1978 to 300 Mt.o.e. in 1990. The IEA estimates its own oil production at over 800 Mt.o.e. in 1990 compared with almost 630 Mt.o.e. in 1978. Moreover, there remains a demand of 1130 Mt.o.e. still to be covered by oil imports both in 1978 as well as in 1990.

Although the IEA as a whole does not need to import much more oil in 1990 than in 1978, that can create great problems connected with obtaining these amounts on the world market. Besides there plays a role in it especially the increasing demand for oil in the OPEC countries themselves, the increasing demand of the developing countries and the expectation that in the future a number of centrally controlled national economies, instead of exporting oil will become importers of oil. The IEA Secretariat expects a shortage of over 2 million barrels/day in 1985 and almost 6 million barrels/day in 1990.

The expectation of these shortages and the likelihood of further production limitations and real price increases of crude petroleum by



EC countries bring the ministers to the conclusion that as great as possible a diversification of energy supply to other sources than oil as soon as practical is urgently necessary, besides conservation in consumption itself.

#### Development of Energy Consumption in the Netherlands

Energy consumption in the Netherlands has increased less in the period since 1973 than the gross national product: 8.5 percent compared with 15.5 percent. If energy consumption in 1973 per unit of GNP is put in 1973 at 100, this is estimated in 1980 at over 93. An estimate of energy efficiency improvement for the years 1978, 1979 and 1980 indicates an average saving per year of 1.5 percent.

The greatest savings have appeared in the household heating sector: about 9 percent for the 3 years studied. It is expected that total household energy consumption will increase by about 3.5 percent between 1977 and 1980, especially because of increased use of central heating.

In the industrial sector energy conservation has been less, compared with the 1977 efficiency level, than in the household sector. This is probably due to the fact that the simplest conservation measures have already been carried out and additional measures beyond that generally are only feasible by replacing processing equipment. Besides the implementation of the VIR [Law on Investment Account] energy allowance will take a long time. Among the enterprises, the best results seem to have been achieved in horticulture in greenhouses.

Because of conservation results, it will probably be no problem to remain under oil import maximums which were agreed upon in December 1979 both the EC as well as the IEA for 1980 and 1985. However, economic development lagging behind previous expectations contributes to that.

It is expected that oil consumption in 1980 will be about 5 percent greater than in 1973. The Netherlands' share of oil is somewhat lower at the moment than in the IEA as a whole, especially because of the Netherlands large share of gas in total primary energy consumption: about 46 percent compared with about 51 percent. However, our oil import requirements will still increase in the next decade. In the light of the gloomy expectations about developments on the oil market, both as to volume, as well as price, the Netherlands oil situation consequently remains precarious.

Developments on the oil market and the considerable price increases during the past one and a half years, as well as the gloomy prospects about this, have even increased the need for energy conservation.

Besides the existing regulations for encouraging energy conservation (WIR energy allowance, insulation progress and such) an energetic introduction of new legislative measures is necessary. These measures must especially take ~~into account~~ regarding energy consumption of new equipment, in new buildings and in the future regarding the use of low value heat and possibly energy consumption in relation to physical planning. A bill connected with the energy consumption of equipment and installations in a broad sense will be submitted to parliament as soon as possible. Moreover, the research and development of new energy conservation techniques is of great importance in this framework. Among other things, this is taking shape by setting up national research programs. For the coming years, an average of 600 million guilders a year is available for energy conservation (including VRO ~~[expansion unknown]~~ and conservation research, excluding WIR-EI ~~[expansion unknown]~~). It is proposed to reserve for this purpose in 1981 580 million guilders on a cash basis compared with 400 million guilders in 1980.

The use of inexhaustible energy sources will only be able to make a substantial contribution to our energy supply in the long term, through production in our own country or abroad; up till the turn of the century, these will only be able to satisfy several percent of energy consumption. Much research and development work is still demanded essentially for this purpose.

This is expressed, among other things, in national programs for solar, wind power and geothermal heat. In the coming years about 11 million guilders are available yearly for research and development in the energy field (excluding coal and conservation research).

The coal memorandum declares that it is considered possible from the environmental point of view and necessary from the energy policy standpoint to achieve a use of coal of 25 to 27 million tons SKE ~~[coal equivalent]~~ in the year 2000 in order to insure that at least 40 percent of electric power production is based on coal. Besides, part of the gas production must be based on coal. All in all, it would then be possible in the year 2000 to cover about 20 percent of energy consumption by means of coal. The essence of coal policy in the coming years lies in research, development and demonstration policy. An average of about 150 million guilders yearly is earmarked for this purpose for the next 5 years.

### Energy Conservation

Good progress is being made with the national insulation program; in the past year about 260,000 existing dwellings were insulated in the framework of the NIP ~~[National Insulation Program]~~. A total of 617 million guilders was involved in this, to which the government contributed 237 million through subsidies and loans; it is expected that

164 million cubic meters of natural gas equivalent will be saved yearly through this. The increasing interest on the part of housing construction associations is especially noticeable.

The government is striving to tighten the existing specifications for newly constructed housing. The current research connected with this is being completed this year. Insulation specifications for office buildings soon will be included in the model building regulation of the Association of Dutch Municipalities.

It is intended in the next heating season to have on the market the first industrially produced series of special heat exchangers for the recovery of the heat present in the flue gases of a central heating boiler. To encourage a rapid introduction of these "economizers" a subsidy will be granted for them on the basis of present natural gas price expectations, still an unremunerative part of such an investment. That is especially the case during the next two heating seasons.

A subsidy of 1.0 million guilders was made available for the demonstration project which is being carried out by NEOM [expansion unknown] with high efficiency boilers. After the successful conclusion of this demonstration stage, the introduction will be encouraged in a way to still be further determined, for example, by instruction, specifications for installation in newly constructed houses and subsidies for accelerated replacement of older boilers.

In order to encourage new integrated construction methods, in which the architect includes energy conservation techniques and systems in the design, a special demonstration regulation, intended for this purpose, is in force. The ministries of public health and environment, housing and physical planning and economic affairs will jointly provide funds during the next 3 budget years for this regulation, PREGO [Test Projects for Efficient Energy Consumption in the Constructed Environment].

In November 1979 the maximum subsidy amount was increased from 1,000 guilders to 5,000 guilders for the subsidy regulation "recommendation energy conservation in enterprises." As a result, the interest in that regulation has increased considerably. Because of that the number of approved applications rose from 30 to 150 per month. SVEN [expansion unknown] approved a total of 1573 applications by the first of last May.

The sectorwise instruction of various industrial branches about their opportunities for energy conservation is continuing. Conducting research in the paper industry is in the final stage. Publication of an initial tentative overall result can be expected about this time. Research in the textile finishing industry has begun, while discussion is still in progress about the dairy and brick industries.

The final report with recommendations of the Heat/Power Commission is expected about the fall of 1980. The report will consider all aspects of encouraging a further introduction of heat/power connection in industry.

RAI [Bicycle and Automobile Manufacturers Organization] and the ministries of transport and waterways and economic affairs are working on the introduction of a fuel consumption test, in connection with increasing the efficiency of the vehicle fleet. It is expected this will still take place this fall.

Two regulations will still go into effect in 1980, which are intended to encourage conservation investment in the national, provincial and municipal governments and in nonprofit organizations. The first regulation involves the financing of conservation investments by the national government and by institutions completely subsidized by the national government; the other regulation provides a subsidy regulation for the benefit of all nonprofit organizations, including municipalities and provinces. About 130 million guilders are available yearly for both regulations together.

As regards municipal heating, a subsidy is promised at the moment to 13 projects. In the final stage of these projects it is expected about 220,000 dwelling equivalents will be connected, which will result in a yearly fuel saving of about 400 million cubic meters of natural gas equivalent and a natural gas saving of over 600 million cubic meters. The total amount of subsidies involved in this amounts to about 120 million. Twenty possible projects are now being studied.

As was already claimed on previous occasions, the application of small decentralized municipal heating systems can be an interesting conservation option. The application of municipal heating cannot be viewed separately from developments involving other conservation measures connected with space heating the more so as municipal heating establishes the heating system for a relatively long time. The Optimum Space Heating Committee is now putting the finishing touches on a study of the optimum use of conservation techniques which are being applied at present and then probably will be introduced soon.

It is intended to introduce a bill in the Second Chamber as soon as possible regarding energy consumption of equipment. Regarding regulations in the field of energy conservation in new buildings, it is being investigated in consultation with the Ministry of Housing and Physical Planning what opportunities exist to strengthen and possibly extend the measures in this field and their implementation.

#### Energy Research and Development

The government's policy aims at having programs carried out in the field of energy research and development at the research institutions



(partly) financed by the government, among others ECN [Netherlands Center for Energy Studies], TNO [Netherlands Central Organization for Applied Natural Scientific Research], universities and colleges, in cooperation with work which is carried out elsewhere (for example, KEMA [Office for the Inspection of Electrotechnical Material], Gas Institute and business. The government provides yearly about 270 million guilders for energy research, a considerable part of which is financed from budget items of the Ministry of Economic Affairs.

The distribution according to field of interest (in million guilders) of energy research directly financed by EZ (Economic Affairs) is as follows:

	1979 probable amount	1980 granted	1981 estimated
Energy conservation	4.8	12.0	20.0
Fossil fuels	3.7	10.0	16.4
Nuclear energy	86.8	75.0	59.7
Alternatives	<u>8.2</u>	<u>9.0</u>	<u>10.5</u>
	106.0	111.0	113.6

The emphasis of the energy conservation research program is on areas such as constructed environment, traffic and transport and industrial production plants.

In the framework of a promise to the Second Chamber, an official inter-departmental working group is now involved in the formulation of a nuclear power research program. The working group will be assisted in this by an unofficial committee of experts. The Minister of Economic Affairs is trying to achieve the development of the main features of a national nuclear power research program at the beginning of 1981. The research program will be attuned to both the present situation in the nuclear power field in the Netherlands as well as to the possible expansion of the role of nuclear power.

The Program Preparatory Committee Coal (PVC [Polyvinyl Chloride]-Coal) is making recommendations about a cohesive program in the entire field of research, development and demonstration. It is expected that this report will be ready at the beginning of 1981.

Alongside the activities of PVC-Coal, programs in the field of coal research at ECN, TNO and universities and colleges will be further developed. Various project proposals have already been submitted and they are now under discussion. An average of an additional 150 million guilders per year will be made available for the next 5 years

for coal research, development and demonstration projects. Anticipating the final report of PVC-Coal, instructions have already been given and subsidies promised for a number of research projects.

The NOZ [National Research Program Solar Power] began at the end of 1978. In the first stage, which runs until 1982, making the solar boiler commercially feasible is of primary importance. In that framework preparations are now being made for a number of demonstration projects for which a government subsidy of more than 50 percent of the investment costs probably will be necessary.

A beginning was made with the evaluation of NOV [National Research Program Wind Power]. This evaluation will be completed at the beginning of 1981. Proposals for a continued program will probably come out of this.

The National Geothermal Research Program began in December 1979. In the first stage, emphasis will be on an evaluation of the geothermal potential in the Netherlands, on large scale heat storage in the ground and on opportunities for demonstration projects.

#### Prospecting and Production

As of 1 January 1980, the proved and unproved natural gas reserve in the Netherlands subsoil and the continental shelf together amounted to 2326 billion cubic meters. Compared with the status as of 1 January 1979, this means an increase of the total reserves by more or less 56 billion cubic meters or 2.4 percent.

The total number of proved gas deposits on the continent and the territorial sea amounted on 1 January 1980 to 90, which is an increase of 3 compared with the status of 1 January 1979. There has been some mention of an increase in the number of proved gas deposits also on the continental shelf. The number increased from 55 in 1978 to 61 in 1979. The oil deposits in the continental shelf increased from one to three. Moreover, it is reported that the deposits in question all involve small to very small amounts.

In the field of mine legislation, a number of important changes are planned. Thus the finishing touches are now being made on a revision of the mining regulation for the land and the continental shelf, which aims at changing the provisions regarding pollution of the ocean and other surface waters.

#### Natural Gas

With the huge price increase of oil and oil products, which led to serious economic disturbances on a world scale, we can wonder whether an uncurtailed continuance of the existing Dutch price policy based on fuel oil--or hbo [home heating oil] parity, will not lead to

serious, but still, to a certain extent, avoidable economic frictions. In domestic industry with frequent rapid adjustments of gas prices to fuel oil quotations, this question is felt in all its intensity, all the more so because the enterprises in question must often compete with foreign consumers of fuels whose prices are kept low.

With respect to rates for small scale consumption, it is clear that the existing regulation based on a contract for more than a year between VEGIN /expansion unknown/ and the Gas Union contrary to the original purpose, did not reduce the gap with the so-called hbo parity, but only increased it. Meanwhile, in consultation with parties, an additional price adjustment was effected which offered better prospects for price development in accordance with the market.

The Minister of Economic Affairs will follow developments in that field closely and if necessary, an adjustment will again be made. The lagging behind of gas export prices in the price development of oil prices has been a reason for the government to begin negotiations on export prices. These negotiations are being conducted by Mr Spierenburg, who was appointed as government commissioner for natural gas export prices. Meanwhile, the initial results have been achieved. These amount to the fact that by means of a transition period, the prospect exists for a considerable improvement of the present base prices, as well as a better adjustment to fuel oil prices in case of rising prices. In the revenue figures for natural gas which are included in the 1981 budget report, the additional income from the current negotiations is taken into account.

The developments of energy prices have, insofar as it involves the realized and still to be realized gas price increases derived from that, have had a positive effect on the government budget. Now that completely new estimates for more than 1 year are ready for the beginning of the eighties, it seems--in spite of estimates with lower volumes--the level of nontaxable funds amounting yearly from about 2.8 billion to 7 billion guilders is higher than was imagined the previous year.

Although this development is a "windfall" considered separately, we must not deny the fact that the world energy price development which is the basis of that must be regarded in its economic effect, both directly through the oil account as well as indirectly through the total development of demand, as a serious loss--even for the Netherlands. With the use of the "windfall," it must consequently be emphasized more than in the past that the additional funds be used for structural improvements. The Minister of Economic Affairs has also made agreements with his colleagues in finance in that sense.

As regards gas purchase policy, the recent Algerian decision to build no more liquification plants for the time being has made the execution

of the LNG [Liquified Natural Gas] contract with SONATRACH [National Company for the Transport and Marketing Hydrocarbons] impossible. Since it was a question here of a contract approved by the Algerian and Dutch authorities, the Minister of Economic Affairs regretted this. The buyers' groups are in consultation about the situation which has developed because of this. Meanwhile, the agreement on essential points with the Nigerian company Bonny LNG Ltd has been approved by all authorities involved in Europe, however the Nigerian authorities still have not agreed to it.

Reports about a large gas discovery in block 31/2 off the Norwegian coast are favorable, so interest in purchase of more natural gas in the future is concentrated substantially on Norway. Besides the Soviet Union has decided on a new project for the export of natural gas to Western Europe. Negotiations with western European gas companies, including Gas Union, have already begun.

In order to continue gas purchase policy, it will have to be fully implemented with the principle of the equivalency of the gas price with the price of substitute energy sources, which is the basis of domestic price policy.

#### Petroleum

Of the petroleum products imported and produced in the Netherlands, about 60 percent are exported, in which case they are delivered to international shipping bunkers. If we deduct the imported petroleum products from the exported ones, net export plus bunkering, amounts to about half of refinery production. Our own oil production provides for over 5 percent of domestic requirements.

The oil supply problems which appeared in 1979 have again emphasized the importance of adequate supply. These supplies must considerably exceed the level of operational supplies. Meanwhile ICOVA [Foundation Provisional Central Organ Stockpiling of Petroleum Products] has purchased 740,000 tons of supplies. It is believed that ICOVA will expand its supplies to about 1.5 million tons. The costs are currently covered by payments which are voluntarily agreed upon by industry and trade, which may shift these payments to the consumer.

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## 'MANCHETE' QUESTIONS GISCARD ON FIGUEIREDO'S VISIT

Rio de Janeiro MANCHETE in Portuguese 7 Feb 81 pp 20-21

[Article by Murilho Melho Filho: "Giscard, a Close Dialog and Modern Relations"]

[Text] "For me, my children are the most precious things in the world. They are completely open, sensitive, capable and have all the qualities I would like to have."

This is how the French president describes his family, which consists of his wife Anne-Aymone, two sons, Jacinte (20 years) and Louis-Joaquin (22) and Valerie-Ann (25).

At the age of 26 the present president of the republic was already a high official in the Ministry of Finances. At 36 years of age he became one of the youngest ministers of finances of France and the youngest of all the ministers in the economic area, holding those posts for 9 years.

On 19 May 1974, at the age of 48, Valery Giscard d'Estaing was elected president of the Republic of France by popular vote. Next May, after his first 6-year term, he will be candidate for a second term. Can he be elected?

Before making that attempt, the French President will receive a visit by the Brazilian president in Paris. Before receiving him, he made it a point to personally answer a questionnaire from MANCHETE.

MANCHETE: What does Your Excellency think of the visit to France by President Figueiredo?

Giscard: In my eyes and in the hearts of the French people, it appears to be a very important visit. It is a visit which follows that made by President Giesel to France in April 1976 and the other visit which I made to Brazil in October 1978. The frequency of those meetings reveals the desire by France and Brazil to maintain an intimate dialog and to develop the modern relationships which conform with what the two countries represent in the present world and with their economic and human resources.

MANCHETE: Will that visit have a more political than economic nature, or vice versa?

Giscard: The visit by the president of Brazil, a country which is establishing an original model on the international scene and which emerges as one of the great [trading] partners of the end of the century, is of a political nature. The meetings I will have with President Figueiredo will deal with the world situation which concerns our two countries in this period of tensions and uncertainties we all know so well. They will also lead us to examine the difficulties being faced by our economies because of the imbalance in international economic relationships and because of the heavy burden of successive increases in petroleum prices.

We shall also analyze the prospects opened by the establishment of new more balanced relations. It is the spirit of North-South dialog in which France seized the initiative and Brazil joined. Of course we shall also examine our bilateral relations, which are important, and the prospects ahead for their development.

MANCHETE: What agreements will be signed during the visit?

Giscard: Each of the meetings between the French and Brazilian presidents, as I have said, is a suitable occasion for checking the results of our bilateral relations. These past years of important ministerial visits have intensified the exchange between our two countries in which we have managed to establish a very positive balance. However, we can progress even more. I am convinced that this is also the conclusion at which we arrived through the application of all our will. This will be particularly reflected by the signing of several agreements which will open new prospects and possibilities for mutually beneficial cooperation [end of question and answer portion].

Contacts were made through Sylvio Silveira of our office in Paris; Cristian Geschwind, press attache of the French embassy in Brasilia, and Mr Blot, presidential adviser at Elysee.

Twenty days before the arrival of President Figueiredo in France, President Giscard received a questionnaire from MANCHETE and decided to answer the questions personally. Two hours before the close of this edition, our office in Paris was advised that President Giscard had finished answering our questionnaire and was placing the answers at our disposal.

An organized and meticulous man, Valery Giscard began studying in Paris where his family was living: There were five brothers and sisters. That same year, he received a degree in philosophy and mathematics [Paragraph as published].

He was 19 years of age when he joined the resistance movement. He had hopes of going to England. However, a friend was taken prisoner and Giscard then preferred to join the French First Army which had landed in Provence. "For me," he confesses, "the war was a sort of moment of truth."

He attended the ENA, National Administration School; he sold a motorcycle and with the money he bought a ticket to Canada, where he remained for 6 years teaching in a school. After passing through the United States, he returned to France. At a meeting with friends in May 1951, he met a slender and elegant young girl of 18, who had just graduated from Notre Dame Des Oiseaux, one of the most famous

schools in France. Speaking three languages--English, Spanish and French, naturally--she came from an illustrious family. On her maternal side she belongs to the Schneider family of the Creusot steel mills. They were married 23 December 1952. They had three children. The eldest, Valerie Anne, married a divorced man. Even as the president of the republic, Giscard could not prevent the marriage.

"From the time my children were very little, my family life was not really affected by my public life because I knew that it would not be good for them to grow up feeling that they were the children of a minister." They make up an elegant family of aristocratic appearance. They have a high, thin profile, the head long and narrow. Their habits, styles and way of being have something noble about them.

His wife, who participates actively in political campaigns, created the Anne-Aymone Giscard d'Estaing Foundation for aid to children, building nurseries and protecting neglected children. For this purpose, in addition to private contributions, she has small amounts taken from the presidential allowances.

The presidential bearing, distant and aristocratic, contrasts with his simple actions, such as the habit of leaving Elysee driving his own automobile and going to the home of an ordinary family to dine.

There are two areas of particular attraction to him: music and literature. In the former, he believes that Mozart represents perfection itself, and in the latter, he admires Flaubert and Maupassant, although he likes several other writers.

He loves outdoor life and whenever he can he flees to the rural areas. He usually spends his holidays in the French Alps where he skis with his wife. He also plays tennis and does a little swimming.

He makes daily notes and writes for his own satisfaction. He is almost 1.9 meters tall and fears that this height gives him an air of arrogance because he generally has to look down on people.

He does not consider himself to be an ambitious man although when he was young he had the desire to succeed in life like anyone else. When he entered politics, he began to have reasonable ambition. He was particularly proud when he was elected to the presidency of the republic.

On his inauguration day, he traveled through the streets of Paris to the palace at Elysee, where he outlined his line of action, saying that a president should be capable of conceiving a line of action and maintaining it for a certain time: "My specific task shall be to make of France a country of stability, liberty, security and controlled progress. For that we need unity. This was my intention when I proposed a dialog with the opposition leaders; it was not a trick."

With respect to relations between France and Brazil, he declares that he is aware of the profound transformation the Brazilians are undergoing and he knows of the incomparable resources they have for facing the problems of the modern world: The immensity of their territory, the harmonious diversity of their population, the wealth of their soil and the ability of their elites. That is how Figueiredo's host, Valery Giscard d'Estaing, is and thinks.

## PCF LIST OF MAYORS SUPPORTING MARCHAIS QUESTIONED

Paris LE MONDE in French 25-26 Jan 81 p 16

[Article: "Do All the Communist Mayors Support Marchais?"]

[Text] On 16 January L'HUMANITE published a list of 1,450 mayors supporting the candidacy of Georges Marchais for president (LE MONDE, 17 January). LUTTE OUVRIERE, a weekly publication of the Trotskyist party, which is supporting the presidential candidacy of Ms Arlette Laguiller, in its 24 January issue states that its officials have "reasons to think that this lengthy list (only 500 signatures are required by law to sponsor a candidate) was drawn up in the offices of L'HUMANITE, based on the real or presumed party allegiance of these elected officials, but without necessarily asking them for their opinion."

"In fact," explains LUTTE OUVRIERE, it so happens that, among this list of presumed signers which was published by L'HUMANITE, there were 79--either communist or with no party affiliation--who had already fully confirmed in writing to our comrade, Arlette Laguiller, that they would agree to sponsor her candidacy. Since then, some of them have confirmed to us that their name was improperly listed in L'HUMANITE and that they were still maintaining their commitment to Arlette Laguiller, even if they do not share her views."

On 23 January the PCF's daily paper, while it was publishing a list of 232 general council members supporting the Marchais candidacy, said that a "regrettable error of transmission" had caused it to include, among the list of mayors supporting this candidate, Mr Jean Leoni, the mayor of Ville-di-Paraso (Haute Corse department), who had not signed the document. According to LUTTE OUVRIERE, this "error of transmission" is not the only one.



The LCR [Revolutionary Communist League], another Trotskyist organization, and the PSU [Unified Socialist Party] are also disturbed about the pressures being exerted by the PCF and the PS [Socialist Party] on elected officials from their parties who have backed, in the first case, Mr Alain Krivine, and in the second, Ms Huguette Bouchardeau. LA LETTRE DE ROUGE, published by the LCR, is calling on the members and sympathizers of its organization to make new efforts to collect other signatures of elected officials, as the 500 promises collected to date may not all be considered valid.

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## PCI'S PAJETTA INTERVIEWED ON POLISH EVENTS

Rome RINASCITA in Italian 19 Dec 80 pp 3-4

[Interview with the PCI's Gian Carlo Pajetta by Maria Chiara Risoldi: "Can We Look to Poland with Greater Hope?"]

[Text] Social tensions, the need for a new political future and great international understanding are not all: There remains the basic element of this country's crisis, the state of its economy. The dangers of a Soviet position that might see in the Polish problem only the actions of internal and external forces for an antisocialist change.

Ten years after the murder of many workers during clashes with the police (16 December 1979) a large popular demonstration called by Solidarity took place at Danzig to unveil a commemorative monument. The president of the Council of State, officials of the PZPR [Polish United Workers Party], of the government, of the Catholic Church participated in the demonstration. During the demonstration, Walesa renewed an appeal to responsibility that had been launched recently by the Polish clergy. The demonstration, its orderly progress, the participation in it of a PZPR delegation on one hand confirmed the extent of the change in Poland, but also gave the impression of the passage of the Polish crisis to a less convulsive, more relaxed phase. Is this interpretation right and correct? We discussed this with Comrade Gian Carlo Pajetta.

[Question] Some salient events in recent days lead to the belief that the situation in Poland is giving out signals of a clarification that justify notes of optimism. What is your assessment?

[Answer] First of all, I should like to say that even if someone now maintains that there was an exaggerated preoccupation concerning the Polish situation, certainly today we cannot dwell too much on elements of a turn for the better and on the possibility of a dialog that the responsible attitude of all protagonists of the Polish affair have left open. In fact, I believe it would be an error to consider Polish events as though the social tensions, the need for a new political plan and a great international understanding were everything, because I believe that a basic element of this situation, which is at the same time the cause and

the effect, is the seriousness of conditions facing the Polish economy. In Poland a new balance has been sought, not only temporarily, between political groups and broader forms of democracy, but the primary problems to be dealt with are the structural ones of the economy and the questions of coresponsibility and control. With the new trade unions there has been created a large mass organization to which millions of workers belong. I hope that it can be the point of departure for a rediscovered unity of the working class, but I have more than one concern in this regard and not because, as many say, these trade unions ask for too much; I would say paradoxically because they ask for too little. Let me explain. If to ask for too much means asking for wage increases, reductions in working hours, in a situation in which these demands can pose problems of compatibility, to ask too little means not assuming the more general problems of society, of the economy, of the state. It is certainly not I who can know what should be tried in this direction, nor do I think that models can be imported, but it is certain that a concept that can even be dangerous is that of the mines for the miners, the railways for the railway workers, in the sense that it would be a corporative concept. The concept of the trade union of the working class that asks for and then leaves to a counterpart—which in this case would be the government and the central administration of the economy—the resolution of economic problems, is much more corporative. With a certain degree of preoccupation, I also consider the fact that Solidarity has refused to form a delegation in common with other trade union forces for the Budapest Congress. This position, marking a hope of unity of the working class, would have been very important.

[Question] In a special issue of *CONTEMPORANEO* we dealt with the various economic and political aspects of the Polish crisis. In your view, why were some such problems presented in such a crude way?

[Answer] I believe that the problem that we can without periphrasis call the Polish crisis, is one of the most complex in all the socialist countries. However, it would be a mistake to trace everything back to the responsibility of this or that leader or to limit to this or that shortage the causes of a situation which involves the overall Polish economy. For example, I will mention agrarian policy. It has often been said that in collectivization implemented in certain ways, even desperate or hasty or beyond real possibilities, there are elements that explain the difficulty of socialist agriculture. In Poland we are faced by a reverse situation, that is an extreme parcelization of private property, which cannot be resolved through the *kolkhozes*, and which poses the problem of how it would be possible to do things in such a way that even a property that is largely in the hands of the farmers themselves can be reorganized in such a way as to take into account Polish specifics and the need for a modernization of agriculture. It should not be forgotten that there are not merely technical obstacles to be overcome but also psychological elements. And in general, it is a question of reviewing investments. Poland is a country that has broad possibilities for expansion, but that also has strong ties to its own traditions, the farmer tradition, which is one of association, where the ties with private enterprise are strong. It is not a matter of condemning either this tradition or its psychological background. It is a matter of understanding how it can be used as a starting point to increase production in the country without coercion, which would not produce any technological progress per se, and without preserving forms that belong to the past. In a few words, Poland must not certainly look to see what socialist nation it is most similar to, but must know that the present reality cannot continue, and is even intolerable.

[Question] But isn't there a strong emergence of the problem of political democracy if we start with these questions?

[Answer] Certainly, there is a close relationship. Let us stay with the agrarian question. In Poland there is a farmers' party. This farmers' party was not established easily, nor has its existence been easy, because it does not come from a movement that is historically allied with the working class and the communist movement. During World War II, the farmers' party was in a bitter struggle with the communists and was part of the government thanks to a compromise whose rupture then led to the abandonment and escape abroad of a large part of its illustrious leaders. Now it has been reorganized, and has accepted an alliance, a real one, and a function must be attributed to it. By function I mean power, rights and coresponsibility. In brief, I believe that the solution of Polish problems always consists more of the awareness that it is not a matter of anyone seizing anything from the other, or to concede something to the others to stay in their good graces, but is a matter of knowing how to link the problems of policy and articulation of civil society to the problems of articulation of the economy; independence and coresponsibility in this field too. I do not know to what extent this awareness is mature in Poland, but it is certain that publications in our country considerably underestimate the entire problem in this sense.

[Question] The communist parties have different views on the Polish crisis. And differences have also emerged between ourselves and the Soviet leaders. How can these differences be reconciled?

[Answer] We believe that the greatest danger is that of oversimplification, of a reduction of the problems to be dealt with. Let us not forget that we hoped that the Gierak administration might resolve age-old problems and that even during preceding periods of renewal we paid for the errors of simplification. It is precisely for this reason that we believe that this crisis will be resolved only after a long period of difficulties and that those difficulties could stimulate the search for positive solutions if a simplification is abandoned. That difficulties are attributable only to international conditioning. The Western press considers membership in the Warsaw Pact a negative element and traces every difficulty to it. Poland has a troubled history, its effort to modernize in recent years was great, even though full of imbalances and errors, and today one of the elements that must be kept in mind is the need for an integration that will not renounce independence, for economic collaboration that will not be considered only a kind of payment for subordination of a military character. On the other hand, it is not possible today for any nation to have a policy that would do without cooperation with others. This is also true of our own nation in relation to the European Community. I do not see, therefore, why we should not consider CEMA as one of the decisive elements of a new equilibrium, and for Poland, as an element in emerging not only from the present crisis, but from a centuries-old backwardness.

As far as the Soviet Union is concerned, I would not want to be drastic, but it would be a dangerous Soviet simplification (that in part could also be understandable, but not justifiable, given the succession of crises), to consider Poland essentially as a nation that has not yet understood that it must apply a model that others consider valid, and to believe that the troubles and tensions involved in the search for solutions can be traced back only to the determination of internal



and international forces to achieve antisocialist change within the regime and to change its international posture. To yield, as has already happened in some cases, to the temptation of such an interpretation would mean not only to deny effective aid and internationalist solidarity to Poland, which must follow its own roads and which must be independent, even within CEMA, but would worsen its difficulties because, among other things, it would aggravate the nationalist positions still alive in Poland. It would be still worse, if in the concept of relations with Poland the view were to prevail that sees it as a strategically essential area, as a relationship of alliance that is essentially a defense for the socialist camp given its geographical position, letting it be believed that troubles and changes could be solved only through military intervention. Such an intervention would be catastrophic from the point of view of detente, perhaps of the very peace in Europe. In any case it would not represent a solution from the economic-social point of view, from the political point of view, or even from the military point of view. This is because even in this era of advanced technology the concept exists, and remains central, of political strategies and alliances understood as consensus, as membership, as popular participation. It is not a question of anyone occupying a bridgehead; it is a matter of each giving, beginning with the relationships with those described as friends, the signal of a concrete detente. It is not paradoxical to say that it becomes difficult to justify a policy of coexistence among nations with different social systems, among nations that have had profound conflicts in many parts of the world, if a capacity for coexistence, for cooperation, for reciprocal respect even in regard to one's own allies is not demonstrated.

[Question] I think you have touched on a central point, that of international relations which certainly have worsened in recent times. What is your analysis of this today?

[Answer] Concerning the Polish question, I would like to emphasize first of all that even Reagan was prudent, aside from some exploitation during his election campaign. In addition the Atlantic Alliance, above all thanks to the Germans, then to French policy and also to fairly prudent positions taken by Italy, has adopted a policy characterized by a fear of a conflict, by refusal to contribute lightly to destabilization. This does not mean that there might not be elements who want to play dangerous cards, or that there might not also be the temptation among adventurist Western groups to avail themselves of the possibility of intervening in the difficult Polish situation. Could this prudence mean that the two powers are willing to understand the Polish question not only in words, in [seeking] the global solution of problems of coexistence? I believe that it is not possible either for the USSR to think that it alone can solve the Polish problem, or for the USSR and the United States to believe that only they can solve this or other problems. Crises (and in other parts of the world even ongoing conflicts) should remind them that today the difficulty of bipolarism is not characterized by the embitterment of relations between the two poles, but--and this is positive--by the fact that there are many who want to be the protagonists. They recognize the importance of the great powers, but not their right, nor even their ability to settle all the world's problems. Therefore, the Polish troubles which cannot be solved in the short term, remind us also that independence is essential. That is, that anyone may make his own mistakes and correct them by assessing and judging the aid and cooperation that he might find beyond his own borders.

[Question] The changes that have taken place in the world, the new realities, the new problems, have led us to review the concept of internationalism. What does this mean for us today in reference to the Polish question?

[Answer] I believe we have expressed our judgment with much prudence. I would say that none of our criticisms has been more bitter than those expressed in the PZPR Central Committee and by the Polish leaders in their talks, but perhaps, in addition to being very different from those expressed by other communist parties, ours has touched upon problems that the Poles have examined from a different point of view. Some have criticized us for interfering or even of having in some way favored or justified criticism expressed in quite a different spirit by adversaries of the socialist nations. I refer, for example, to criticism by the Soviets themselves or even by French communists. We believe that the new internationalism should start first of all with the conviction that each must consider that solidarity--aid for material needs of the country, for parties in terms of discussion and debate--has an unbreachable limit: The problems of a nation may be bitter, difficult, lengthy, but they can never be solved by outside pressure. This cannot be done because of the international situation, it cannot be done because of the national conscience which exists in every nation not only among the people, the workers, but among the communists themselves. The problem of internationalism exists not so much in correct juridical definitions of the concept of sovereignty, but in the participation and consensus determined by the certainty that there will be no pressure from abroad. We are not merely making a statement of principle. We see that the situation evolves in this direction. After all, in Hungary demonstrations were openly counterrevolutionary, but even in Czechoslovakia, where intervention had not led to bloodshed, there was no solution to the problems and the drama of 1968 still burdens that country.

Internationalism is defined beginning with an experience, beginning with a debate on national roads. I should like to recall that the concept of internationalism is tied to diversity, to reciprocal respect, to the awareness that revolutions that are not mature cannot be imagined or imposed. No revolution justifies the "solidarity" that was guaranteed to Afghanistan. I should like, however, to recall also that there does not exist only an internationalism that must find new ways and forms to express itself, from free debate, to economic aid, to the exchange of experiences, to the free circulation of men and of ideas. There is also a reactionary threat of imperialist interference in the presence in the world of a country such as the United States. This should not lead us, first of all communists, but also others, to forget that the placement of missiles in a country, therefore the creation in Europe and in Italy of war targets that would be terrible in a nuclear conflict, cannot be baptized "atomic umbrella," only because that umbrella is made in America; that is, to fear for the Poles, and completely forget the Turks. I do not want to raise a question of a wrong and right that can be divided in half. I believe that the central point in every sense is the development of autonomy and of a different world structure.

In any case intervention in Poland would represent a weakening of the possibility that the ideas of socialism will find a consensus. It would constitute a danger for all socialist nations, a loss of influence in the Third World. In other words, it would be a catastrophe that would give a terrible alibi to those who want to encircle the Soviet Union.

[Question] What predictions can be made about the possible development of the Polish situation?

[Answer] I believe it would be indispensable to proceed with great prudence. It is a time when yielding to alarm is dangerous, when exaggerated assessment of this or that symptom is unjustified. The fact that there has been no violent conflict is important; that there have been discussion and opposition to interference makes the situation different from others and less threatening. But nothing should be taken for granted; nothing is certain. The important recognition recently by the Soviet Union of the trade union Solidarity, and the congress of farmers in which emphasis was given to a new element of democracy, extending the area of those who participate actively. These are all positive signs; they are certainly not a solution, but certainly they justify hope. However, that hope should not exempt us from a commitment and a presence. This is certainly not the time to stand aside. Our position is clear. We recall it forcefully. We certainly do not need to reply to those who insist on asking what we would do if there were an intervention, but the reply we want to give today is something else. It is the reply to the question of those who ask instead what must be done to prevent an intervention, what must be done and said to help the Poles to emerge from a difficult situation under their own power.

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CSO: 3104

## VAN DER KLAUW, FOREIGN POLICY COME UNDER CRITICISM

Amsterdam ELSEVIERS MAGAZINE in Dutch 20 Dec 80 pp 14-19

[Article by Dieudonnee ten Berge]

[Text] Our foreign policy is in a bad way. Lack of leadership, stupidity, hobbyism, party politics, and bureaucracy have had such an effect that there can hardly be said to be such a thing as a Dutch foreign policy. It is simply running from one incident to another. A well thought-out vision is lacking. There is no longer any thinking ahead. A dangerous thing for the Netherlands.

The Netherlands, with its open economy, is extraordinarily sensitive to developments beyond the borders. It is of the greatest importance for us to have a finger on the pulse here and there. To be out in front when important international decisions are to be made and to have a voice in them. In matters of peace and security the Netherlands bears great responsibility. The ever more palpable threat of a nuclear war obligates a country like the Netherlands to wield its greatest possible influence to guide the policy. But then the Netherlands must have a policy. And be a trustworthy and constructive ally. In intercourse between countries there is no friendship. Cooperation is politically conditioned, so that the best will be obtained at that moment. One country's principles are often not even understood by another. Foreign policy is a cynical power game. He who does not play by the rules gets put out of the game.

The Netherlands often does not stick to the rules. It prefers to write its own rule book. Politicians, even experts on foreign affairs, often have no idea what is going on in other countries and why. With the necessary self-sufficiency, they assume their own pattern of standards, values, and thought in other countries. And if it proves not to be that way, then that country is worthless, is not to be trusted, and needs to adapt itself to our ways. There is little insight into the relations between international events and little historical knowledge to be discerned. At bottom the interest in what goes on beyond our borders is slight.

"At the time of the last cabinet formation the CDA [Christian Democratic Appeal] preferred having a secretary of state for welfare work to having one of its own in charge of foreign affairs," says a foreign affairs specialist of the biggest government party. "To us it was a minor post, and the VVD [People's Party for Freedom and Democracy] could have it with our blessing." But the Liberals [VVD] did



not know very well what to do with it, either. There was no real foreign affairs specialist available in the Second Chamber, and pulling in a manager from outside was rejected by the ministry. "Wiegel himself has little understanding of foreign affairs. It hardly interests him," they say in Liberal circles. "He had no special ideas or wishes." The Ministry of Foreign Affairs thought it would be well off with a man from its own shop. And so it happened. A diplomat must put an end to Van der Stoel and Pronk's "Sturm und Drang" [German: storm and stress] period. The influence of outsiders must be repelled and the damaged international image restored.

"Since I have been minister of foreign affairs, the Netherlands has again been occupying its place as trustworthy ally," Van der Klaauw said proudly in January 1979 at a VVD meeting in Zwolle. He was probably right, but politically that turned out differently. His predecessor, Van der Stoel, and the entire opposition fell upon him in a rage, and even from the CDA voices were raised to the effect that he could better have kept such remarks to himself. Nearly 2 years later, Van der Klaauw says it somewhat differently: "Look, what we must gradually begin to watch out for is that people say, 'Oh, the Dutch don't really want anything, they just want to disarm.' That would lose us our place in NATO, and that is a thing that worries me."

Those worries also extend to the thinking about foreign policy within the CDA. The AR [Antirevolutionary Party] wing, a party that from time immemorial never had a great deal of interest in foreign policy, constantly got in Van der Klaauw's way and measured him by the standards of the evangelical movement. Scholten and Van Houwelingen consider that foreign policy must by definition be witness policy. The clergyman should win out over the tradesman.

"You must interpret these things in terms of practical politics, of course," says Van der Klaauw. "There is nothing against your standing up for your convictions, but saying something just because everybody thinks it sounds nice will not get the job done. You must keep an eye on reality."

"All that prattle about leading country and human rights--that was nothing to work with," one of Her Majesty's former ambassadors says confidentially. "You just got laughed at. Nobody took you seriously any longer. If you really wanted to do something for the people in prisons, the very thing you should not do was protest too loudly. That had the reverse effect. Quietly, often over a drink, you could get a lot more for each other. There are genuine examples of that. But perhaps this method is less spectacular for a minister. In foreign policy it is always tit for tat. Prisoners are freed because you can rake in a credit that way." Joseph Luns, secretary general of NATO, was minister of foreign affairs 19 years. How does he view witness policy from his present position? Luns says, "Sometimes that is necessary, but I see mostly the dangers in it. It must not be a guiding principle, for witnessing on something and doing what is necessary and possible are two different things. If you put subjective arguments above objective facts, you get into tremendous difficulties."

Luns does not give the impression that he finds Dutch policy improved now that one of his former disciples has taken over from him. "Oh, yes, that Van der Klaauw, I appointed him one time, I believe. He made himself useful in one far-away post or another." And, "It is indeed true that the Netherlands behaves in

a rather self-opinionated and fault-finding manner. I cannot say that it has gotten any better in that respect."

But Van der Klaauw beats the big drum less than his predecessor and the latter's sidekick Pronk. To that extent the wishes of the Ministry of Foreign Affairs have been nicely satisfied. "Without really boasting, I can say that my human rights policy can definitely stand comparison with Max van der Stoel's," he says.

"Chris is not a minister with initiatives," says a policy official in the ministry. "He waits and reacts to events. He does not anticipate them. When it gets difficult, I always have the impression that he is sitting waiting for somebody to come walking in with a telex that says exactly how he should set about it. He was raised that way as a diplomat. He is an executor of instructions."

"I do not know whether that is so," the minister says pleasantly. "When you look at all we have done in the EC. And when you see the plans that we have for the time when we shall furnish the chairman of the Community. And then the human rights policy. I think that sort of stories get around because in foreign policy you are in an international position. And in that position there are a lot of things that you have no control over. Your policy is always to be taken in a context. In that respect the internal ministries have it a great deal easier."

In the Second Chamber, and heightened to a government fight within the VVD, too, one is not aware of Van der Klaauw's taking action. "Under Van der Stoel there was the devil to pay, of course. And what that Pronk did is hard to believe. But something did get done."

Probably the Liberals have forgotten that Van der Stoel and Pronk, whether lovingly or not, kept an ear cocked in the direction of the PvdA [Labor Party] office, then still located on Tesselschadestraat in Amsterdam. But who does not remember the scene when Van der Stoel was called to account by the new foreign secretary, a boy who appeared to know the world beyond the borders only from a Spanish charter flight?

The Netherlands became a leader, took the towrope, and, at the urging of PvdA and PPR [Political Party of Radicals] congresses, stuck its neck out. It did not come to much. Unless you count the loss of prestige and the amusement it evoked among the allies. Especially at the more remote embassies pretty samples of that could be heard at the frequent cocktail parties. When Minister Jan Pronk visited one of those posts, the ambassador addressed him politely as "your excellency," and Pronk said, "Just call me Jan." "I would still rather say 'your excellency,'" the ambassador said; "that guarantees me against your calling me Klaas."

Witness policy became the new watchword. In practice that looked something like little boys with toy pistols in their hands shouting "pow pow." The noise hurts nobody, and the grown-ups laugh about it.

Van der Stoel was followed by Van der Klaauw. Armed with a lot of good intentions and well informed about how foreign policy works, we threw himself into the fray. But there was a lot of resistance.

"The VVD left Van der Klaauw to sink or swim," is the word in the coalition partner CDA. "Rietkerk concerns himself with everything except foreign policy. Only

Bolkestein was active, and he was looking for a chance to take Van der Klaauw's place." Van Agt and Lubbers hardly gave any guidance to the foreign policy, either. The problems surrounding the neutron bomb, Urenco, and Brazil, the modernization of the NATO nuclear weapons, and the oil boycott of South Africa were noticed only when the processes were practically past stopping. Political acrobatics and smokescreens succeeded in limiting the damage. It is the CDA and VVD leaders' blind spot for foreign policy that caused the cabinet to get seriously involved in those problems a number of times. On no other policy ground has the life of the cabinet really been in danger. In the field of foreign policy, almost constantly.

Foreign policy has always been a stepchild in the Netherlands. Our big ally, the United States, took care of us, and for the rest the purse was not big enough. Only in the EC was it different. There the Netherlands has always played an active part. But only to gain economically by it. Our country was not interested in things like power and influence. The fact is now that at France's initiative the big EC countries have confabs "just among us" where decisions are made that have far-reaching effects on the Netherlands as well. The Netherlands cannot even listen at the keyhole.

But the Netherlands is of the greatest importance to the EC economically, far more important than, for example, Italy. The world port of Rotterdam is the most important port of entry to Europe and is the world center for the oil trade. Dutch blood flows in the veins of outstanding multinational corporations: Philips, Akzo, Royal Dutch Oil, Unilever. But the Netherlands fell further and further behind in translating its economic weight into political power and influence. Insight into the importance of that was lacking. Minister Van der Klaauw confirms that: "Up to now foreign policy was of great interest. It was considered somewhat hard; you had to know foreign languages for that. And all those gentlemen with high hats, oh, they knew all that." In short, it did not move people. "Now that is a thing of the past," says Van der Klaauw, "foreign policy has attracted much more attention." In his thoughts the minister must remember the black and blue spots he has gotten in the political arena during the last 3 years. "But it is going a bit better now," he says, with a friendly smile, "people know I am honest and that awakens confidence."

What Van der Klaauw wants most is another term as minister of foreign affairs. To a question on that point he answers with a short, succinct "yes." Whether he will get it is the question. Van der Klaauw is the scapegoat for the CDA and VVD's failing foreign policy, both in the cabinet and in the Second Chamber. All of the big parties have a number of people in the Second Chamber that are convinced that they would make an excellent minister of foreign affairs themselves.

But they, too, have a thing or two to learn yet. On a number of occasions the foreign affairs specialists' knowledge turned out not to go very deep. According to Minister Van der Klaauw, on those occasions aggressive action had to mask the lack of knowledge. When components were being supplied for a nuclear power plant in Taiwan, it appeared that nobody knew for sure whether Taiwan had signed the nuclear non-proliferation treaty or not. When the majority of the Second Chamber insisted on an oil boycott of South Africa in the interest of the surrounding black countries, nobody knew that those countries themselves did not want such a boycott. When Van der Klaauw said that, he was not believed. It was only when



the black leaders emphatically said the same thing that an oil boycott was no longer felt to be such an urgent matter. Prime Minister Van Agt had the foreign affairs specialists in the Second Chamber properly by the tail when he joined in the Urenco debate with the "clausula rebus sic stantibus": an international treaty need not be lived up to if the circumstances change. That clause holds in every international treaty. The specialists had never heard of it.

In addition, the members of parliament are under ever-increasing pressure from pressure groups. CDA MP Jan Nico Scholten is himself a member of an active anti-apartheid pressure group, which among other things carried on a campaign against Shell. Whereas the demonstrations against the American Vietnam policy at the end of the 1960's stood largely on their own feet, under Van der Stoep and Pronk all sorts of action groups for human rights, against the government in Portugal, Chili, South Africa, etc. had easy access to the ministers that determined the policy. Pronk even supplied them generously with subsidies. In the little Foreign Affairs palace on the Square in The Hague, people were to be seen in jeans and T-shirts and with long hair. A revolution in itself. De Koning, minister of development aid, hoed out quite vigorously now and then, but the influence of the pressure groups is still great. The most prominent at this moment is the Interchurch Peace Movement, subsidized by the Ministry of Development Aid. Important parties like the CDA and the PvdA are being worked on to make the Netherlands free of nuclear weapons. Public opinion is being mobilized by such ideals as "Nuclear Weapons Off the Face of the Earth, Beginning With the Netherlands." IKV'ers [members of the Interchurch Peace Movement] are members of such party wings as the CDA gad-fly "Not by Bread Alone." The game is played through the churches; the Dutch Reformed Church's change-over was an important victory. The Catholic episcopate is being worked on at this moment. Bishop Ernst of Breda has already said that he is overcome. The biggest opposition party, the PvdA, is threatening to throw over its charismatic leader Den Uyl, for he has tied his lot to his party's position on nuclear weapons. The IKV's influence can have far-reaching consequences for the Netherlands' already weak position abroad. If the IKV line is adopted, the Netherlands will be completely isolated. Not an encouraging thought that such an organization as the IKV (which says itself that it will use democratic methods only as long as it gets its way) has gotten so much influence by influencing democratic decision-making. Knowledge of affairs is lacking in the parties, and is also lacking in the Ministry of Foreign Affairs. "At the Ministry of Foreign Affairs there are a lot of good people, of course. But they are also partly incompetent," says one of the younger CDA'ers. "They do not really know what is going on in the Netherlands. They also have too little interest in it. Either they have been abroad too much and are alienated from the Netherlands, or they look down with a certain arrogance on the goings on."

At the Ministry of Economic Affairs they have enthralling stories to tell of it. "There at Foreign Affairs it is archaic," says one prominent policy-making official. "They say they think employment is important, but then they prattle about something abstract. They have no unemployed people in their circle of acquaintances. They do not know concretely how badly it affects RSV [expansion unknown], or Volvo Cars. They have their own rules of foreign policy, and no rapidly changing circumstances in our own country fit into them."

That is noticeable even among the somewhat younger people in the ministry. For a short time now the head of the office of information has been a man who, in



contrast to his predecessors, does not assume that the press consists solely of a Red rabble with a direct telex line to Moscow. Van der Klaauw, especially in his first years as minister, was the victim of the anti-press attitude in his ministry. His then chief spokesman turned his nose up at the press, and as was said in The Hague, that man knew that the paper came in through the mailbox and knew how to turn on the television, but that was the end of his knowledge of the news media.

Even the officials who accompanied Van der Klaauw during Second Chamber debates and on foreign trips cared little for public opinion, with all due respect to one or two good ones. "Public opinion is of essential importance, of course, in politics," says one of Van der Klaauw's colleagues; "I have the impression that the word is hardly ever uttered at the Ministry of Foreign Affairs." It is rumored that Van der Klaauw's new spokesman is not envied by the other policy officials. But that Van der Klaauw has been succeeding somewhat better recently he owes to this approach, which for the ministry is rather revolutionary.

The various branches of foreign policy are hardly integrated. As far as the ministries are concerned, the Ministry of Defense has its own fish to fry, and the Ministries of Economic Affairs and Foreign Affairs work against each other rather than in cooperation. Development Aid, especially under Pronk, came to be so detached from the rest of foreign policy that a great deal of time was spent trying to reverse each other's policy decisions. And it really works the same way in the Second Chamber. Defense specialists know relatively little about defense. Economic spokesmen do not know those fields, either, but they have no trouble with others nosing around *their* territory, for the whole economic side of things hardly interests the defense and foreign affairs specialists at all. The same holds for aid to development. The result is that there is hardly a responsible appraisal, and the reaction to new events is not very well balanced.

Take, for example, the modernization of the NATO medium-range rockets. Under great political pressure and after some acrobatics on the part of Prime Minister Van Agt, it was agreed with the allies that by the end of next year the Netherlands will make a decision on whether the rockets may be stationed on its territory, and if so, how many of them. Independent of the disarmament talks with the Russians. The purpose of this is to push back the position of nuclear weapons. The Second Chamber went along with that agreement. Especially under the influence of the IKV and thanks to the emotional repugnance that every sane person feels for nuclear weapons, the opposition in the Netherlands to the modernization decision has grown. Political parties like the PvdA and D'66 [Democrats '66]--which have long since lost the ability to offer guidance to their own rank and file, and hence slavishly carry out, under the motto of "real democracy," what the rank and file, unhampered by knowledge and insight, prescribe--now want to put it on record that the Netherlands rejects the modernization decision. Only D'66 still has a complicated route of withdrawal in its platform. Even in the CDA there are nine eligible dissidents who have now made it known that they are against a modernization decision. That represents a violation of an international agreement. And in dealings with other countries, appearing unreliable is fatal to one's own position and so for one's own power and influence. Politically important objectives in foreign policy can only be attained by great patience, perseverance, knowledge of affairs, diplomatic skill, and reliability. That is less spectacular, of course, than beating a tin kettle to catch your own voters' attention, which does promise great results over the short term. But in a mature democracy political leaders

should be out in front, even if that may involve a less popular message to the voters.

Party politics has unmistakably come to play an extremely important part in the foreign policy. A recent example is the order to Taiwan. PvdA and D'66 were originally in favor of supplying the submarines. But when it became apparent that the cabinet could get its foot caught that way, the decision was revised with lightning speed. In the oil boycott of South Africa a number of CDA members of the Second Chamber were affected by the same motives; this cabinet must go. The actual issue was of minor importance. Now other ministers of foreign affairs can understand that quite well. At a European summit meeting Lord Carrington once said to Van der Klaauw, "I know you have a parliament, Chris, but now we do business." According to the anecdote Van der Klaauw laughed, but in his mind he probably saw the vultures flying around over the Inner Court again.

Until the dawn of the Van der Stoel-Pronk age, the foreign policy of this country was aimed at securing and expanding the country's economic interests. "Yes, doing business was what it was all about," Van der Klaauw confirms. "Just look at our relations with South America. In the 1950's the government even sent the Prince over there, and everybody considered it quite normal. At that time, of course, we were engaged in the whole industrialization of the Netherlands, which was getting under way. The elimination of the Netherlands as a colonial power, the strong pressure from Russia, and the establishment of NATO were all factors. When all that had settled down somewhat, people began to think of other things. The old uneasiness of 'What am I living for, really, and what is the purpose of life?' came to the surface. It may quite well be that in the future, if the economic recession continues, we shall again set other priorities--economic priorities--in foreign policy."

8815

CSO: 3105

## GOVERNMENT'S FISCAL DEFICIT GROWING, REASONS ANALYZED

Amsterdam ELSEVIERS WEEKBLAD in Dutch 15 Dec 80 p 33

[Article by Peter Hund: "Fiscal Income Lower. An Unexpected Setback?"]

[Text] Last week even the government surprised us: for the umpteenth year in a row fiscal income will again be disappointing. This year the disappointment will be in excess of 3 billion guilders. Consequently the government's financial deficit threatens to become completely uncontrollable, it will amount to 7 percent or more. That is really sad. But this setback is not unexpected.

Last week the Dutch people waited in happy expectation for what 5 December [Saint Nicolas festivities] would have in store for them. However, 2 days before the holy evening on Wednesday, 3 December the festive mood bent on consumption was cruelly interrupted. The government appeared to have a rather disagreeable surprise: it is threatened by an additional billion guilders deficit. It had promised to "do all in its power" (Minister van der Stee in the spring) to limit the financial deficit--the sum the government must borrow to balance its books--to 6 percent of the national income (about 18 billion guilders), however, in spite of everything that has been said the deficit threatens to increase to at least 7 percent (about 22 billion guilders) with all sorts of painful consequences for the already high interest rates on money and capital markets, the inflation, the survival chances of private industries, and their economic growth.

Why? Because once again the nation's income from taxes appears to be much lower than anticipated. By almost 3 billion guilders. A most painful surprise and a bad setback.

Surprise? Setback? Not really. Maybe for the Van Agt government, or the Second Chamber, or the press, but, for instance, not for faithful readers of ELSEVIERS WEEKBLAD. One week after the publication of the budget for 1980 ELSEVIERS WEEKBLAD of 29 September 1979 tried, under the headline "Zijlstra, OPEC, and the Top Hat," to answer the question: "Where will Andriessen find the money?"; for example, the almost 7 billion guilders the then uncontroversial minister of finance planned to spend this year (1980) in excess of last year's expenditures. More than 5 billion guilders of that sum would have to be used to cover this year's price increases (it turned out to be true). We quote from our article: "Fortunately when prices rise, wages go up too. And when wages and prices rise, income from taxes will also go up. This will cover a large portion of the deficit." Logical, is not it? It could clearly be seen in the budget and the attached calculations of the Central Planning Bureau.

However.....the government should then refrain from interference in wage arrangements, but we all know that it actually did interfere. Consequently our story does not apply any more, or at least to a much smaller degree. Moreover, the government should not have considered its wage control measures its authority to pursue an even more stringent price policy. Because: see above for the consequences. Did not anybody think of that?

#### Higher

In addition the rates of a number of taxes, including wage and income taxes, went up. This also affected the average taxpayer, but he received compensation. Did not the government realize that if taxes are only raised for the very group which suffers most under the wage measures--not the average taxpayer--its ultimate yield could be very disappointing?

Apparently not, but ELSEVIERS WEEKBLAD did. Next quotation, still from the same article: "Next year (1980) income from taxes must not be disappointing again, as has been the case for years. O. K., the government admitted in the end that it was not confronted by 'incidental' but by 'structural' disappointments and that it would correct tax estimates. However, an 'all encompassing correction' because of 'systematic manipulation' of the Dutch taxpayer has not yet been incorporated in the budget." Always optimistic, ELSEVIERS WEEKBLAD thought at that time: "That hole can probably be filled, for instance, by heightening the effects of the top hat." This "top hat," sometimes called "systematic manipulation of the budget," entails the listing of expenses one does not expect to use and the omission of income one expects to receive. By using this method Andriessen had already covered a hole of 1.5 billion guilders in this year's budget. Why not more?

Because--as many feared last year and it appeared to be true when the so-called "Spring Memorandum" was published--this trick was based on the financial experience of the good old days when (everybody thought so) government expenses could be increased endlessly. In a time of cutbacks and economies, the trick does not work for the simple reason that the ministries immediately do not list expenses they do not expect or do not want to make. This became clear in the Spring Memorandum, and ELSEVIERS WEEKBLAD wrote on 28 June 1980 in an article on the "top hat" in which it tried to calculate what budget miseries were to be expected for 1981: "This trick does not work any more. Minister Van der Stee wants to abolish it."

#### Reference

Unfortunately the minister was still acting as though the trick was still working this year. There was even a reference to the "top hat." We quote from the Spring Memorandum: "...while as regards the Ministry of Housing and Environment in particular...the estimated amount for heat insulation subsidies will not entirely be used in 1980." However, when the Spring Memorandum was published we also learned that funds for insulation subsidies were practically exhausted. We quote from ELSEVIERS WEEKBLAD of 28 June: "In this manner, the government is digging its own grave. It looks as though it is going to be a deep one."

How deep? Again a quotation from the same issue of ELSEVIERS WEEKBLAD: "To pay for a 'normal' increase in government expenditures, the national income should



grow 3 percent in 1981 or about 10 billion guilders. No such luck. We should be happy with 1 percent. Just a small setback of 5 billion guilders."

Of course, that was for 1981. The article was dealing with that year. However, did the government really think that the situation would be fundamentally different in 1980? At the end of last year and the beginning of this year many experts had already warned of zero percent growth, and even negative growth. With those warnings in mind, a setback in this year's tax income of 3 billion guilders is still good news.

The question is of course why is the economy not advancing any more while all the necessary conditions have been fulfilled: strong growth of the potential for skilled labor, strong technological development. For the answer we refer to ELSEVIERS WEEKBLAD of 6 September of this year: "Applauded by the complete cabinet and the government parties, Van Agt said once that he would try to prevent growth in the collective sector [social security, social benefits, etc.] of the national income. The government was actually executing 'Course 1981.' But do not ask how. The goals were not reached at all. Anybody could have seen that the national income would not increase with the percentages mentioned in 'Course 1981' or show any increase at all. Of course, collective expenses did grow according to plan or even faster. Consequently, against all intentions, the share of the collective sector in the national income grew steadily."

That creates problems. Because every successive increase in collective income will ultimately have to be offset by heavier taxes on an ever-smaller portion of the national income--in economic jargon the "supporting plane." That results often in political problems because diminished purchasing power, less profits and less investments retard the economy's growth and the end result is disappointing tax income. Etc. The alternative is letting the difference between expenses and income--the financing deficit--grow and borrowing more. Unfortunately this drives up interest rates on the money and capital markets. This causes profits and investments to decrease, losses and unemployment to increase, and ultimately again lower income from taxes. On the other hand, borrowing means paying interest, and the government's expenses will increase.

Lavish

The many subsidy and support payments the government feels inclined to lavish on private enterprise do not alter this one iota. In the first place, because money has to come from somewhere before it can be sent somewhere else. But even if that were not a problem, as with the billions for foreign natural gas (anyway not for us), it would do little to help us.

We present a final quotation from ELSEVIERS WEEKBLAD of 6 September: "In actual practice, not even Minister Van Aardenne can induce entrepreneurs to pay many times the government subsidies, as long as they can easily understand that gross wage expenses will keep going up in the Netherlands for a long time to come, the purchasing power of the average employee will keep going down because the collective expenses will keep going up which causes prosperity to keep going down."

The next point is that income from taxes will remain disappointing.

10319

CSO: 3105

## LABOR PARTY ORGAN COMMENTS ON 1981 BUDGET

Oslo ARBEIDERBLADET in Norwegian 18 Dec 80 p 4

[Editorial: "Parliament's Fall Work"]

[Text] The fall discussion of the budget in Parliament was concluded yesterday with the so-called balancing debate and the final budget passages. With this, too, the session of Parliament is over and the representatives can take their Christmas vacation.

It has never happened that any government has submitted a State budget which has passed Parliament without changes. This is also true of governments with a majority in Parliament behind them. The changes made during the fall budget discussion are not greater than that they can be accepted. Although the Nordli government is a minority government it has succeeded in winning approval of all major items in the State budget and of economic proposals for 1981.

When this has been said it can also be declared that the changes Parliament has made all the same have led to increases in the budget and have had the effect more of making the economic situation more difficult than of easing it. The nonsocialist parties, and the Conservative Party first and foremost, have indeed also submitted a number of proposals to lighten the budget, but it is of little use when they are only proposals for increased appropriations which will win a majority in the hall of Parliament.

The budget and the economic proposals for 1981 have as their main goal the guaranteeing of employment. This is an ambitious goal in a situation in which unemployment in Western industrial countries is on the point of hitting almost 30 million people. It is worth noting in connection with the budget discussion in Parliament that a number of the proposals the Conservative Party has submitted will have the consequence that the employment situation will have become more difficult. This holds true also for the proposals regarding reduced public activity.

A condition for the economic proposals to work according to the intention and prevent unemployment is that it will be possible to arrive at a moderate wage adjustment in the spring. In practice this means that large groups with higher incomes must accept the fact that a good part of the wage increases has already been withdrawn through the tax reductions in effect as of 1 January. There will be no room

at all for income increases for the highest income groups in the spring adjustment. The wage increases which must be given must go primarily to low-wage groups.

This is a proposal which can be submitted only if a will to understand is shown among the parties in the settlement. It is at the same time also important that there be a general understanding of these problems by most people. In the middle of Christmas business which is probably breaking all previous records it should also be possible to gain an understanding of the fact that the growth in affluence must be able to take a break in order to strengthen the country's economy and guarantee employment.

The year's budget discussion is the last before the parliamentary election next fall. One ought to have expected that the nonsocialist parties which represent themselves as so-called "coalition parties" would have used the opportunity to present an economic proposal which was more or less agreed upon. This has not happened. The nonsocialist parties have probably never been so far apart in confronting the economic policy as right now. The Christian People's Party and the Center Party this fall submitted a distinctive financial policy which the Conservative Party not only rejected with contempt, but also opposed in strong words. On the other hand, the middle parties have also stood in opposition to the Center Party's tax and budget proposals.

The political debate this fall and early winter has also shown wide spreads in non-socialist policies in other areas. This is true not least of so important an area as energy and oil policy. An old controversial subject like the abortion question has remained hot and continues to represent a strain on the entire coalition on the part of the nonsocialist parties.

Among the Christian People's voters it is obvious that in this area there is an increasing demand that the party not enter into any compromises.

The last session of Parliament in this period starts in January. One of the most important things Parliament will get to discuss during the spring is the government's long-range budget. This is the last chance the "coalition parties" will have to present a common policy to the voters. If this is not possible it means that the "coalition parties" in reality have little of anything political to form a coalition for. The assessment of this "coalition" as a government alternative should then be simple.

8985  
CSO: 3108

## LABOR PARTY ORGAN COMMENTS ON CONSERVATIVES' POLL LEAD

Oslo ARBEIDERBLADET in Norwegian 19 Dec 80 p 4

[Editorial: "So It Happened"]

[Text] So it happened. For the first time as long as we have had political polls the Conservative Party is registered as the country's largest party. The distance between the Labor Party and Conservative Party is certainly so slight that the party order can be discussed to a great extent. The psychological effect of the poll which has now been made public, however, lies in the tenths of a point which the Conservative Party has been judged to be ahead of the Labor Party.

There is every reason to ask oneself what has gone wrong when a party like the Conservative emerges as the country's largest party. With the radical traditions the Norwegian people have we interpret this as an unnatural condition.

We do not think there is any simple answer for the Labor Party's dramatic decline in the polls the last few months. Regardless of how much scrutiny is made of issues and people no unambiguous answer will be found in this. It is unfortunately not so simple.

Some of the answer lies, of course, in what has been called the international conservative wave which has rushed Margaret Thatcher in as prime minister in Great Britain and Ronald Reagan as president in the USA. With this as a background one ought not to be surprised either over the fact that Kåre Willoch can become prime minister of Norway.

Now it would be wrong to attempt to explain away the Conservative Party's rise and the Labor Party's fall in the political Gallup polls by international currents in politics. Reasons must also be sought in the home arena.

We do not believe, as we said, that the reasons for the voter shifts which can be recorded now can be found merely by studying individual issues and people. The development must be appraised with a longer perspective than this. When we reach election day next fall it will be a whole 20 years since the Labor Party has ruled the country with a majority government. Through most of these 20 years the Labor Party has ruled with minority governments, interrupted only by the brief periods of the Lyng and Korvald governments and five years of the Borten government.



All the nonsocialist governments have been poorly founded, and it is in reality the Labor Party which during this entire period has represented continuity and stability in our political system. When a party must play such a role without being able to form a government with a majority behind it in Parliament, gradually considerable problems of strain will arise. The international economic crisis, which has been managed better by us than in almost all other countries, has not made it simpler for the Labor Party. The party has had to bear the burdens which follow when it is necessary to make changes and do some belt tightening. That jobs have been saved in our country while 26 million are unemployed in the Western world does not seem to have given the Labor Party the political returns one would have expected. It seems as though unemployment must be experienced in order to understand the value of averting it.

Today's poll is a shock to the Norwegian labor movement. We think such a shock can be useful as long as it does not lead to paralysis. Many will perhaps be of the opinion that the most effective medicine against the conservative wave as we now experience it will be a conservative government. Then the Conservative Party's political formulas will be able to be evaluated on the basis of how they work in practice. However, in our opinion this is an all too dangerous political experiment. We regard a conservative government as a challenge to the entire welfare society which has been constructed under the dominating influence of the political and trade labor movement.

The only way out for the Labor Party's supporters is to get over the shock as quickly as possible and rally forces in order to turn the mood around. A Gallup poll is still not the same as an election. Although it is more than 50 years since the Conservative Party was larger than the Labor Party it will not be 50 years before the Labor Party has again assumed composition of the country's decidedly largest party. It is this first and foremost which platforms and politics must see to.

It is our hope that today's Gallup poll shock first and foremost will become an eye opener. Now the labor movement must mobilize for a counter offensive. Nor has the parliamentary election next fall been lost or won by anyone as of today.

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CSO: 3108

## BRIEFS

**WILLOCH WEIGHS COALITION CHANCES**—"I believe that the Conservative, Christian People's and Center parties before the election in the fall will produce a document showing the common basis for a government coalition between the three parties. It will be natural for this to come at the end of the spring season in Parliament," says Conservative parliamentary leader Kare Willoch in a new-year interview with NTB [Norwegian Wire Service]. Willoch says that there is no reason to hide the fact that there is disagreement between the three parties regarding the tax policy, oil policy and abortion question. He thinks, however, that it will be possible to arrive at ways of handling these matters which will not prevent a government coalition and that the three parties will be able to agree on a common government without especially difficult negotiations if the election produces a non-socialist majority. Willoch points out that there is agreement between the parties in many important areas, including guidelines for the economic policy. He emphasizes that it may be proper to attach great importance to the election results for each of the three parties in the development of the government's program and in making up the government. [Excerpts] [Oslo AFTENPOSTEN in Norwegian 29 Dec 80 p 3] 8985

CSO: 3108

## SUAREZ SATISFIED WITH VISITS TO COLOMBIA, VENEZUELA

Madrid EL PAIS in Spanish 21 Dec 80 p 5

[Article by special correspondent Pablo Sebastian]

[Excerpt] Bogota--The president of Spain, Adolfo Suarez, concluded his official visit to this country yesterday in Bogota, a visit that was centered around various areas of economic and trade cooperation and related to the development of coal mines, uranium research, steel industry cooperation, and the exchange of coffee and Spanish ships. The president, who made a brief stopover in Caracas at the invitation of President Herrera Campins, is returning to Madrid satisfied with this trip to South America.

Relations between Spain and Colombia are good and there are no serious political or diplomatic problems. Here in Bogota Spain has once again expressed its desire to officially represent the Andean Pact in the EEC. This is a subject that still needs clarification and a delicate one, as Minister Perez-Llorca described it; it is possible that a multilateral meeting of foreign ministers may eventually take place.

In the cultural area it should be stated that President Suarez yesterday inaugurated an important Spanish school in Bogota named in honor of the Catholic kings. This school will impart learning and will henceforth be the foremost Spanish cultural center in Colombia. It is a magnificent project that was sponsored by King Juan Carlos and Queen Sofia of Spain during their visit to Colombia in 1976 and has now reached its culmination in a beautiful building with athletic facilities and conference rooms that cost Spain close to 700 million pesetas.

In the economic area there are several projects. The first is the trilateral development project of a large deposit of anthracite in cooperation with Colombia and Brazil. The project is moving forward, although results will not be immediate. There is also the question of coal imports and Spanish-Colombian cooperation in uranium research in this country.

#### Meeting With Herrera Campins

The meeting between Suarez and Herrera Campins had a more political tone. In recent months it has been said that the Venezuelan president did not have good relations with the head of the Spanish Government. The report goes back some time and has its origin in the last Venezuelan presidential elections in which

Suarez' advisor and the defender of his image and that of several of his ministers, Rafael Anson, managed the electoral campaign of Pinerua, Herrera's opponent. Some considered this interference, and Spain definitely paid for this error and lack of political tact. The consequences were immediate because President Herrera ordered a review of the major cooperation agreements that Suarez and ex-President Carlos Andres Perez had signed in the past.

At all events there has been talk of a relative warming in recent months, and perhaps the stopover by Suarez in Caracas will serve to hasten the thaw. The Spanish president spoke with Herrera in Santa Marta, and the latter invited him to dinner in Caracas, which invitation Suarez accepted.

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CSO: 3110



## POLICE CLAIM 75 TO 100 ETA AGENTS LIVING IN VENEZUELA

## Basque Couple Killed

Caracas EL DIARIO DE CARACAS in Spanish 6 Jan 81 p 7

[Article by J.C.]

[Text] On 14 November, a violent act that occurred in the suburban community of Las Palmas focused attention on a political problem with international implications. That morning, the Basque couple, Jokin Alfonso Echeverria, 32, and Esperanza Arana, 31, were murdered in their home.

At the time of his death, Echeverria was chairman of the Committee for Aid to Basque Prisoners and Exiles. A press conference was called immediately in the Basque Club, where the "Spanish police" was accused of responsibility for the murder. According to the accusers, the crime coincides with the resurgence of repression in the Basque region. The national government denied, through the minister of interior, that extreme rightist or leftist "terrorist commandos" are operating in Venezuela. The crime is now under investigation, and that is as far as the first stage of this situation can be said to have gone.

Over the past few days, the press has reported statements taken from a report by police officials in Spain, in which it is asserted that "Venezuela is an ETA [Basque Fatherland and Liberty Group] sanctuary." According to the report, there are between 75 and 100 agents of the Basque organization operating in our country. The report has understandably shaken the Basque exiles living in Venezuela as well as official levels. The Basques see in it a threat to their security, and the government, for its part, is seeking to reaffirm its intent to not permit the transfer of "the Basque-Spanish war" to Venezuela.

## A Country for Exiles

During the 1970's and what has gone by of the 1980's, Venezuela has enhanced its international image as a "democratic" country respectful of the freedoms that are inherent in human development. For many, it is like an "oasis" in a South America

populated by regimes based on power. From still another viewpoint, Venezuela projects the image of a nation that is "prospering and in full development," as a result of its copious oil revenues. Obviously, these factors have transformed our country into a haven for politically as well as economically motivated refugees and exiles.

There are in our country conglomerates of Argentines, Uruguayans, Chileans, Paraguayans, Spaniards, Portuguese, Bolivians and Central Americans, especially the latter. With respect to the Spanish colony, the most numerous one, many of the families that have arrived here have settled down in a permanent manner and have gained expression in our national dynamic through their cultural and sports centers.

Within that reference framework, the information published by the magazine POLICIA ESPANOLA--and picked up by our press--raises a number of questions regarding its intended effect, particularly among the Spanish exiles who are living in our country within our established legal norms. As regards the Basque colony, its initial reaction has been to fear for its security.

Statements were issued yesterday by both the government and Basque citizens--who preferred not to give their names--as to the purposes of the information released by the Spanish police.

#### 'No ETA Members Here'

Caracas EL DIARIO DE CARACAS in Spanish 6 Jan 81 p 7

[Text] A VENPRES dispatch carries a statement by a member of the Committee for Aid to Basque Prisoners and Exiles, who asked not to be identified. The statement is a warning to the Venezuelan Government that a "poisonous press campaign" is about to start, the object of which is to "plant advance justifications for new assassinations like that of the young couple which occurred in Las Palmas 7 weeks ago."

The Committee spokesman denied the Spanish Government versions that put the number of Basque refugees living in Venezuela at around 100, and stated this number to be exactly 42.

"The names, places of work, and residences of all of them are sufficiently well known to the authorities," he emphasized, adding that "only a scanty number of them had ever engaged in ETA [Basque Fatherland and Liberty Group] militancy and that these had been automatically divested of their militancy status in accordance with Venezuelan laws."

The Basque-Venezuelan Committee considers the information being disseminated by the Spanish police to be part of a "dirty war." "The magazine that published the report is edited by and at the service of the assassins of the Basque Echeverria couple," it said, and added that "what will follow now is the publication of a list of trumped-up crimes, of which genuine political refugees residing in Venezuela will be accused."

The Committee spokesman affirmed that the Venezuelan laws "will never be violated by any Basque refugee." He also labeled as "figments of the imagination, but fitting perfectly into the Spanish police campaign, the accusations regarding alleged economic aid being furnished to the ETA by Venezuelans of Basque origin." He added that this campaign is being "efficiently pressed forward by pseudo-diplomatic agencies."

'It's Impossible'

Caracas EL DIARIO DE CARACAS in Spanish 6 Jan 81 p 7

[Excerpt] Vice Minister of Interior Enrique Aristiguieta Gramcko said yesterday in his office that "there is neither information nor any indication whatever that would lead us to think the ETA [Basque Fatherland Liberty Group] is maintaining activist groups in this country, or that it is carrying on activities of any kind here."

According to Aristiguieta Gramcko, there would be no point to ETA's maintaining a cell or group in Venezuela. "Its activities are taking place in the Basque region and that is very remote from here. The logical thing would be that any support groups it might have outside of Spain be located in neighboring regions or other Western European countries only a few kilometers from the border."

He added that "we have always been very careful, and will continue being careful, to avoid the bringing into this country of problems that do not concern us. This has been invariably our standard of conduct."

The vice minister then stated that problems of this nature--like the one under discussion-- have always existed, and cited as an example the case of the Arabs and Jews. "What we cannot tolerate is that any violence that may be generated by such problems be transferred to Venezuela. In the case of the ETA, we cannot permit it to be imported here."

Aristiguieta Gramcko emphasized that a "strict vigilance is being maintained over foreigners linked with or sympathetic toward any movement or group of that kind (like the ETA). Those reports therefore lack truth."

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CSO: 3110

## NORWEGIAN PRO-PRC ORGAN REPORTS SISTER PARTY CONGRESS

Oslo KLASSEKAMPEN in Norwegian 13 Dec 80 p 6

[Article by Eirik Rossen: "Swedish Communist Party Congress; Action Party to Be Reconstructed"]

[Text] The Swedish Communist Party (SKP) has just concluded its congress. Roland Pettersson, a construction worker from Norrköping, was re-elected as party chairman. For the first time the party has a platform. The congress accepted self-criticism for the handling of Sture Ring's split attempt in 1977 and for the suspension of Bo Gustavsson and others.

The re-elected party chairman is happy with the congress, which was aimed against sectarianism and dogmatism. It has given hope for the future after a period of decline the last few years. The SKP did twice as well in the 1973 election as compared with the 1979 election. The circulation of the party newspaper GNISTAN has declined over 50 percent in the last few years.

Peace Most Important

The platform proposals were approved by over 86 percent of delegate votes at the congress. It was presented by Per Axelsson, who maintained that the SKP's policy must take as a starting point the fact that the Soviet Union has the ability to gain control of Western Europe militarily and is conducting its aggressive policy in the name of socialism and Marxism-Leninism.

The most important task the new platform confronts the party with is the defense of peace and national independence.

Next comes the defense of democracy, the standard of living and the culture of the people. Roland Pettersson points out that the defense of Sweden as an industrial nation, the fight for self-preservation and an independent supply of energy, in addition to a defense policy and international solidarity work with Afghanistan and Poland, for example, are all objectives which have to do with the party's main objective.



## Defense Policy

When he presented the platform Per Axelsson pointed out that the party had changed its defense policy greatly since the last congress in 1975. Therefore, the platform's defense policy plank has laid the foundation for a further discussion in the party starting with principles like the will for defense, a war of resistance against an occupying force, defensive strategy, versatile and advanced technology and mobilization of the entire people.

The platform affirms the party's acceptance of the theory of three worlds, which together with the principle of serving the people and the Marxist theory of knowledge constitute the platform's basis.

In the ideological struggle the party places great emphasis on attracting those workers who today belong to the Social Democrats. Mentioned especially is the struggle concerning the defense policy, educational, moral, ideological and cultural questions, and the class coalition ideology.

## Socialism

The SKP's goal is a socialist Sweden. Under socialism democratic freedoms and rights, the multiparty system and representative democracy will be guaranteed, while the people's real influence will be extended to include also control of the means of production and the economy. The Communist Party will not gain any constitutional special position and interest groups such as trade unions will be independent of both the state and party, according to the new platform. The trade unions will be a lobby for the interests of their members under socialism, too.

In the party leadership's political report to the congress special emphasis was placed on summing up the line battles within the movement since 1967, and especially since 1975. Here the situation is that the 1975 congress left behind a party divided into two blocs!

## Internal Struggle

"Sture Ring's split attempt in the spring of 1977 and the party leadership's faulty manner of handling the contradictions in the difficult situation the party was in led to a struggle in which the party lost approximately 20 percent of its members. Before this struggle was over Per Ake Lindblom began his wing activity. We have for the first time had an openly organized wing within the party."

"Today it must be judged that the party explanation and the suspensions in 1977 of those who would not dissociate themselves from Sture Ring were completely wrong. The party leadership realized this already in the fall of 1977. But instead of undergoing self-criticism and revoking the suspensions the leadership presented new arguments which had become topical during the time our comrades were suspended for an improper reason."

The report sums up two reasons that the suspensions, including that of Bo Gustavsson, were wrong. First, they took place on an unsound basis, and, second, they hindered the possibilities of safeguarding the party's unity.

#### State Subsidy for Newspaper

In order to save the party's weekly newspaper GNISTAN, the congress moved to apply for 750,000 kroner in public press subsidies for 1980. If the subsidy is granted, the newspaper every third week will be more comprehensive, popular and outward-directed, with a view toward greater sales of single copies. The other weeks it will direct itself mainly to subscribers.

If GNISTAN is not granted a State subsidy it must change to being a monthly newspaper without a hired editorial staff. Under any circumstances it was moved to focus GNISTAN more on analyses and "engrossing knowledge about our time's questions and development."

The congress adopted new statutes. The purpose of the new statutes is to counteract wing disagreements within the party and at the same time to create a unity founded on democratic discussions and studies.

Those interviewed in GNISTAN No 50/1980 (dated 12 December), where the congress's motions are presented, emphasize that the congress rose above the wing intellect and that there really is reason for optimism. At the same time they point out that the party's big mistake is a poor grasp of the Swedish economy, especially the lack of a clearly formulated industrial policy. On the other hand, they believe that the new platform gives the SKP the ability to become a real action party such as it was before 1973.

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CSO: 3108

## DIMENSIONS OF 1981 ECONOMY OUTLINED

Istanbul CUMHURİYET in Turkish 15 Dec 80 pp 1, 5

[Text] The basic dimensions of the economy for the year 1981 have been determined. In technical parlance these dimensions are referred to as the "overall balance of the economy." The economic program for the year 1981 has been prepared along with the proposed budget for the fiscal year 1981. The program calls for a decrease in industrial investments from current levels while investments in fields such as agriculture, tourism, health and education are to benefit from the sharpest increases beyond 1980 levels. Experts have stated that the decision to reduce industrial investments is a very important and unprecedented event within the context of Turkish economic policy and the history of Turkey's planned economy.

As announced earlier, the economic program to be implemented next year envisages a growth rate of 3 percent. The program for 1981 contrasts current prices with fixed price indexes and indicates that the growth rate for 1980 remains at eight-tenths of a percent when the dimensions of the economy for the years 1979 and 1980 are taken as a basis for comparison. In what concerns the Gross National Product, comparisons between current prices and those of 1980 and 1979 are illustrative of price increases during 1980. According to a chart indicating the "overall balance" and prepared by the State Planning Organization, the Gross National Product which stood at 2.178 trillion liras in 1979 will reach 4.1 trillion liras in current prices for the year 1980. This represents an increase of 89 percent and is indicative of the rate at which prices increased during 1980. In technical parlance, the 89-percent figure is "the rate at which prices increased as derived from calculations based on the Gross National Product." It is expected that during the year 1981 the Gross National Product will increase 3 percent to 4.235 trillion liras.

Private savings are also included among the provisions of the 1981 economic program. Real savings (savings measured without taking inflation into consideration) declined during 1980 in comparison to 1979. While real savings stood at 600 billion liras in 1979, they decreased by 12.7 percent to 525 billion liras in 1980. It is expected that total savings will reach 700 billion liras during 1981.

The most important aspect of the program is its treatment of investments. Investments have been calculated at a net value of 875 billion liras for 1980 and are expected to rise to 925 billion liras during 1981. When investments for 1980 and 1981 are compared without taking inflation into consideration, the following situation emerges:

<u>Sectors</u>	<u>1980</u> <u>Billions, TL</u>	<u>1981</u> <u>Billions, TL</u>	<u>Increase</u> <u>%</u>
Agriculture	56.3	86.6	53.9
Tourism	4.6	6.9	49.5
Health	8.3	11.3	35.7
Education	17.9	24.0	33.6
Manufacturing	192.2	178.9	-6.9
Transportation	131.6	138.5	5.8
Energy	95.1	106.7	12
Mining	36.4	43.8	20
Housing	139.3	143.4	3

As can be seen from the chart, a decline in industrial investments is to take place. In contrast, significant increases are being planned in investments in the fields of agriculture and tourism. It is also clear that in addition to these increases, investments in socially significant fields such as health and education are being emphasized. While in absolute numbers industrial investments will still constitute the largest investment sector during 1981, these investments will fall below the levels of 1980. Industrial investments will decrease 6.9 percent. In contrast, the largest increases in comparison to last year will be in agriculture (53.9 percent) and in tourism (49.5) percent.

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CSO: 4907



## TAX REGULATIONS PLANNED FOR INDEPENDENT OCCUPATIONS

Istanbul MILLIYET in Turkish 9 Dec 80 p 7

[Text] A proposal that would bring changes to the structure of income tax is currently being examined by the budgetary commission of the council. The proposal provides for partial tax prepayments by individuals such as doctors, lawyers, architects and engineers who have private practices. Special commissions to be formed in each province and district are to determine the amounts of such payments on the basis of "categories" into which private practices are to be divided. The commissions are to be composed of representatives from tax offices, professional organizations and chambers of commerce. In each province and district, the commissions will "categorize merchants and professionals on the basis of their yearly earning potential." Lists will be prepared to inform those concerned of the categories into which they have been placed. A specific percentage of each individual's yearly income tax will be collected in advance through tax prepayments in the months of March, July and November. At the end of each year, taxpayers will pay additional taxes if their prepayments have not exceeded their yearly income tax assessments. Should the prepayments exceed yearly income tax assessments, the taxpayers who are involved will receive refunds from the Ministry of Finance. Taxpayers will be charged with the responsibility of documenting their yearly income with certificates, official papers and invoices.

It has been announced that the "prepayment" system is an attempt to create a balance between salary and wage earners who have taxes withheld from their paychecks and those who must file income statements. Should the law on income tax be approved by the council before 1 January, these stipulations will be put into effect in March 1981. It is hoped that this method will lead to significant increases in tax revenues and that the income estimates to be obtained from representatives of professional organizations will reduce the potential for error in the process of tax assessment. This system will not be applied in the case of incomes derived from within the agricultural sector and the taxes to be levied on the sale of agricultural products will fall within the confines of added value tax.

It has also been learned that the "overall and individual" tax cuts that will affect wage and salary earners will amount to approximately 70,000 liras per individual. This provision is being described as a "social rebate" and involves a 30,000-lira exemption for wage earners only as well as a 40,000-lira exemption for all taxpayers. The Ministry of Finance is opposed to the concept of "defining tax brackets and levying a 40-percent tax on incomes that are at the highest level

and that approach 1 million liras." The reason for this is said to be that with the tax cuts for lower income brackets exceeding 70,000 liras, a substantial decrease will be felt in the actual amount of taxes to be paid and that incomes approaching 1 million liras will in any case be bracketed by such tax cuts. Economists claim that the 40-percent figure will be decreased by 1 percent each year for 5 years and would therefore drop to 35 percent at the end of this period. They add that with further tax cuts the final rate is likely to stand at 30 percent. It has been stated that the final decision will be made by the council.

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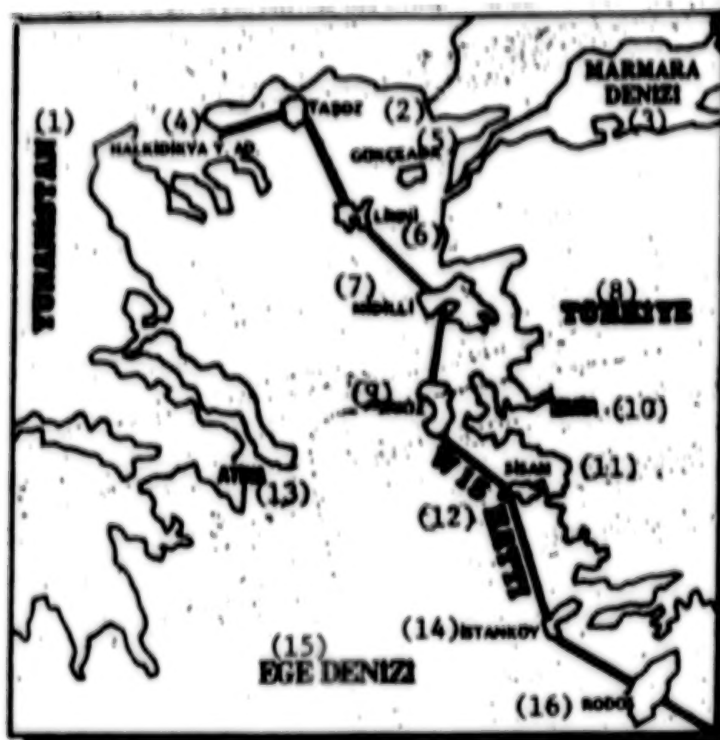
## W-15 LINE THROUGH AEGEAN LIFTED

Istanbul TERCUMAN in Turkish 9 Dec 80 p 4

[Text] An agreement has been reached between Turkey and Greece over the potentially explosive controversy involving the airspace over the Aegean Sea. Following the opening of Aegean airspace to civilian aircraft a few months ago, Greece has now agreed to the lifting of a military warning line through the Aegean. Designated as W-15, this line is drawn very close to the Turkish border. In ending 6 years of disagreement over this matter, Greece has also announced that it will reduce the 3,000-mile danger zone over Limnos Island to 1,500 miles [presumably meters]. Officials from the Ministry of Foreign Affairs have stated that Greece is expected to clarify its position over the next few days in connection with its early warning systems based on Rhodes. The military line that had been designated as W-15 by Greece and recognized by all of the world's airlines runs from the Halkidikia Peninsula to the islands of Thasos, Limnos, Lesbos, Khios, Samos, Kos and Rhodes. Turkish military aircraft had been barred from the Aegean by this line and will be able to officially overfly the Aegean following the line's removal.

It has also been announced that an agreement is to be reached very soon between the two sides over the issue of the demilitarization of islands in the Aegean in conformity with the Treaty of Lausanne. Officials from the Ministry of Foreign Affairs have stated that in the event of a guarantee by Greece that it will station no troops on these islands other than those who are natives of the islands, Turkey will adopt a flexible policy as a demonstration of its good intentions. During talks between the two sides, Greece had stated that the troops currently on the islands are made up of individuals who are natives of the islands and who are performing military service. Observers have claimed that Greece will agree in the very near future to refrain from forwarding troops to the islands from other regions.

In the meantime, no progress has been made between Turkey and Greece over the issue represented by the continental shelf in the Aegean. From the very beginning, both sides have maintained their original positions concerning this matter. Observers have claimed that the two sides expect an agreement over the continental shelf following the resolution of other issues in the Aegean and are for this reason not currently emphasizing the question.



Airspace over the Aegean is almost entirely closed to Turkish military aircraft.

Key:

- |                        |                  |
|------------------------|------------------|
| 1. Greece              | 9. Khios Island  |
| 2. Thasos Island       | 10. Izmir        |
| 3. Sea of Marmara      | 11. Samos Island |
| 4. Halkidiki Peninsula | 12. W-15 Line    |
| 5. Samothraki Island   | 13. Athens       |
| 6. Limnos Island       | 14. Kos Island   |
| 7. Lesvos Island       | 15. Aegean Sea   |
| 8. Turkey              | 16. Rhodes       |

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25 Feb. 1981



